

Travis & Arnold
Timber, Building Materials, Heating and
Plumbing Equipment for the Construction
and Allied Trades. Northampton 52333

FINANCIAL TIMES

No. 27,664

Saturday September 16 1978

***15p

DOUGLAS
CIVIL ENGINEERING &
BUILDING CONTRACTORS
BIRMINGHAM, CARDIFF, EDINBURGH,
GLASGOW, LONDON, STOCKPORT, WOLVERHAMPTON

CONTINENTAL SELLING PRICES: AUSTRIA Sch 130; BELGIUM F 25; DENMARK Kr 3.5; FRANCE F 2.0; GERMANY DM 2.0; ITALY L 500; NETHERLANDS F 2.0; NORWAY Kr 3.5; PORTUGAL Esc 20; SPAIN Ptas 40; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE Lps

NEWS SUMMARY

GENERAL

Baader gang woman held

Astrid Proll, a member of the Baader-Meinhof gang and one of the world's most wanted women terrorists, was arrested in London, where she had been instructing for ten months in a garage workshop.

Police picked up Proll, 31, in a workshop on the North London Finchley Road. She was questioned by anti-terrorist squad detectives at Paddington and an application for extradition is likely at Bow Street court this morning.

Messerschmitt dies aged 80

Villy Messerschmitt, the aircraft designer whose 109 was Germany's most successful second world war fighter, died in Munich aged 80. Messerschmitt founded his company in 1923 and merged into Messerschmitt-Bölkow-Blohm in the late 1960s. *Obituary, Page 2*

Summit hope

Prime Minister Begin's press aide said he thought the Camp David summit would go on until tomorrow "to overcome existing problems and widen as much as possible the areas of agreement". The talks had appeared to dead-end late on Thursday but they resumed yesterday. *Page 2*

Smallpox pledge

David Ennals, Social Services secretary, answered union fears over the smallpox outbreak by saying there would be no "cover up". A Government inquiry is under way and it may be followed by a full public inquiry.

Ferry damaged

British Rail's latest cross-Channel overcraft, the Princess Anne, was forced to turn back and each between Cap Gris Nez and Calais when gales tore a hole in her craft's skirt. The 220-ton ferry, carrying 42 vehicles, was switched to another hovercraft.

Shutto 'framed'

Shahnawaz Shutto, 18-year-old son of the deceased Pakistani leader, elected to go for trial when he appeared at Horseferry Road, London, court accused of making a hoax bomb call. His solicitor claimed Pakistani agents had framed Shutto.

Couple jailed

A white South African former policeman and his wife were jailed for 10 and three years respectively in Pretoria for beating their 15-year-old maid to death because they suspected her of theft.

Heartening news

Professor John Shillingford, a prominent British heart surgeon, was elected to the Helsinki committee. There was no proven connection between heart disease and people's diets or lifestyle. Family background might be more relevant, he said.

Briefly...

Joshua Nkomo's guerrillas claimed 10 South African army officers were aboard the Air Rhodesia airliner shot down 10 days ago.
Malcolm Otter bids to break the 218 mph British land speed record on Pendine sands, Wales, today.
Typhoon Irma lashed south-west Japan, killing five people and wrecking 1,500 homes.
UK weather for the next 30 days will be dry but cooler, giving way to more rain later. Today's forecast, *Back Page*.
Inquiry began at the Tyneside steelworks where molten metal killed three men on Thursday.
Two men died when a market trade wall collapsed in Skegness, Lincs.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Bank of Scotland 298 + 4
Banc 180 + 4
JKN 297 + 13
Lambros 198 + 11
Lloyds (N.Y.) 88 + 3
Lloyds (L.S.) 127 + 5
Messurama 71 + 5
Naxos 42 + 4
Naxos 132 + 7
Vibropan 105 + 9
Siebens (UK) 420 + 20
Sons, Plantations 481 + 41
De Rore Df 487 + 7
Peko-Wallsend 566 + 20

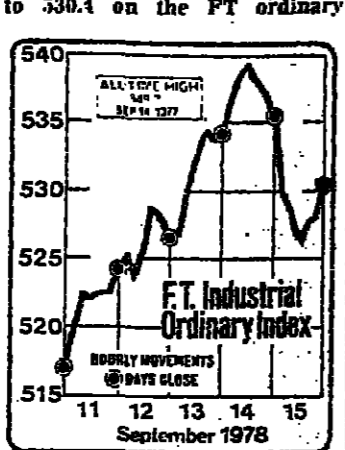
FALLS

Atlantic Assets 100 - 6
Bank of Ireland 458 - 15

BUSINESS

Equities down 5; Gilts unsettled

● EQUITIES recorded a 5.1 fall to 330.4 on the FT ordinary



index as the recent strong upward movement was halted by steady end-Account profit-taking.

● GILTS were unsettled and drifted lower, with falls of 1 in both shorts and longs. The Government Securities Index closed 0.39 down at 79.58.

● STERLING gained 5 points to \$1.9605 and its trade-weighted index fell to 62.5 (62.9). The dollar's depreciation remained unchanged at 9.1 per cent.

● GOLD rose \$1 to \$211 1/2 in London.

● WALL STREET was down 8.83 at 878.21 just before the close.

● UK BUILDING societies are getting ready to extend their operations into other EEC countries, notably Belgium and West Germany. *Back and Page 13*

● FRENCH Government is expected to publish next week its plans to bring France's largest steel companies, Usinor and Sacilor-Sollac, under State control by converting outstanding loans into direct shareholdings. *Page 2*

● NATURAL GAS supplies to the UK will last through to the next century, a British Gas official has said. Existing contracts would assure supplies for the next 20 years and there were no additional discoveries not yet under contract. *Page 3*

● URANIUM production from the world's richest known deposits in the Northern Territory of Australia is expected to come to market in 1981, following agreement reached with the Northern Lands Council, the statutory body representing the Aborigines. *Page 2*

● OIL production and purchases negotiations between the National Iranian Oil Company and the consortium of western producers led by BP have broken down, and existing agreements will remain in force for the time being. *Page 4*

● ELFAQUITAINE, the French Government-controlled oil group reports a first half profit decline from FF40m to FF240m. *Page 19*

● GUEST KEEN AND NETTLE (234.7m) to increase its holding in Uni-Cardan, its West German motor components subsidiary. *Back Page*. Pre-tax profits at GKN for the first half of 1978 were slightly ahead at £22m (£20.5m) on turnover up from £245.7m to £289.6m. *Page 16 and Lex*

● HOWDEN, the Glasgow-based engineering company, has won a \$40m order for a power station in Canada. *Page 3*

Retail price rise rate continues to edge upwards

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The underlying rate of retail price inflation is continuing to edge upwards, but all the evidence suggests that there will not be a significant upsurge in prices before the end of this year.

The available indicators of inflation are not all pointing in the same direction, though even the most pessimistic now suggest that the 12-month rate of increase in retail prices should continue in single figures until early next year.

The Department of Employment announced yesterday that the retail price index increased by 0.1 per cent to 198.4 (January 1974=100) in the month to mid-August, for a rise of 8.0 per cent in the last year. This compares with a rate of 7.8 per cent last month and a low of 7.4 per cent in the year to mid-June.

The increase is not surprising and reflects primarily the fact that comparison is with the low monthly rises in summer 1977 rather than any significant recent acceleration.

Mr. Roy Maltersley, the Prices Secretary, last night repeated his long-standing prediction that the 12-month rate would remain at about 8 per cent for the rest of 1978 with small monthly fluctuations.

The best guide to short-term trends is normally the index for all items except seasonal foods at an annual rate. This stood at 9.6 per cent in mid-August, up from 9.1 per cent in the previous month. Although this is well above the

rate of 6.8 per cent in the period to mid-March, the trend is distorted by the annual bunching of certain increases, notably for local authority rents and rates, in April.

Moreover, a more encouraging trend was indicated by the index of rises notified to the Price Commission in the six months to the end of August. This stood at an annual rate of 4.4 per cent last month, compared with 5.8 per cent previously.

This index normally reflects rises that will appear in shop prices in three to four months' time. But it has to be treated

with some caution since the coverage is not directly comparable with the retail price index. Nevertheless, the overall picture looks brighter than earlier this summer and generally supports the claim earlier this week by Mr. Denis Healey, the Chancellor.

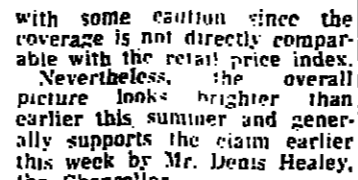
He said that until at least early 1979 inflation is likely to stay comfortably in single figures because a good harvest and a strong pound will offset the extent to which pay settlements in the last round went beyond the Government's guidelines.

The other implication of a continued modest rise in prices is that with further tax cuts and a big rise in social security and child benefits in November the growth in living standards should be maintained at around its recent annual rate of 8 to 7 per cent for the rest of 1978.

About a third of retail price index rise in the month to mid-August was due to higher mortgage interest payments. The rest was caused by higher motor costs and price rises for some foodstuffs and some durable household goods.

These rises offset a 4.1 per cent fall during the month in the cost of seasonal foods, whose price is still lower than a year ago.

Editorial comment Page 14 ● Other indicators Page 4



with some caution since the coverage is not directly comparable with the retail price index.

Nevertheless, the overall picture looks brighter than earlier this summer and generally supports the claim earlier this week by Mr. Denis Healey, the Chancellor.

He said that until at least early 1979 inflation is likely to stay comfortably in single figures because a good harvest and a strong pound will offset the extent to which pay settlements in the last round went beyond the Government's guidelines.

The other implication of a continued modest rise in prices is that with further tax cuts and a big rise in social security and child benefits in November the growth in living standards should be maintained at around its recent annual rate of 8 to 7 per cent for the rest of 1978.

About a third of retail price index rise in the month to mid-August was due to higher mortgage interest payments. The rest was caused by higher motor costs and price rises for some foodstuffs and some durable household goods.

These rises offset a 4.1 per cent fall during the month in the cost of seasonal foods, whose price is still lower than a year ago.

Editorial comment Page 14 ● Other indicators Page 4

Wage and price freeze announced in Norway

BY CHRISTINE MOIR

THE NORWEGIAN Government today announced a freeze on wages and prices until the end of next year. It also banned collective bargaining and suspended pay increases already agreed upon and due to come into effect next year.

Following an emergency cabinet meeting, Mr. Oddvar Nordli, Prime Minister of the minority government, unveiled details of a tough economic package designed to cut by half the current 8 to 6.5 per cent rate of growth in the retail price index.

Mr. Nordli said that Norway's labour costs had for several years been running above the average for OECD countries. It was that they were now brought below the average.

Under the package there will be no wage increases until the end of next year and prices will be frozen at their levels on last Tuesday.

If the measures are approved by parliament—and the other main political parties have

reassembled on October 3.

Two days later, Mr. Per Kleppe, the Finance Minister, is due to present what is expected to be a very tough budget.

Public expenditure is expected to be severely curtailed and a tight monetary policy may be introduced, probably including a "corset" on bank lending.

Unemployment—at present running at about 1.3 per cent—is expected to double. Emergency unemployment measures will be introduced to support a maximum of 25,000 jobs.

Today, following leaks on Thursday in the Norwegian Press about the package, the Norgesbank (central bank) had to step in to support the kroner in currency markets for a while. However, Mr. Kleppe said that there would be "no devaluation" of the kroner.

Trade union leaders are reported to have accepted the measures at a meeting with the Government, but there are fears that the package will provoke numerous wildcat strikes.

Agreement on Riksting payments, *Back Page*

'Pirates' pay Levi £255,000

BY RHYS DAVID

LEVI STRAUSS, the world's biggest jeans producer, is to receive \$500,000 (£255,000) in an out-of-court settlement in London relating to alleged piracy of his products.

The settlement was described by Levi as an important breakthrough in its drive to combat copying of its products throughout the world. The London case, the company said, was key litigation in stopping widespread manufacturing and sales of copies of its jeans.

The agreement has been reached with Nolton Management Services, which Levi accused of complicity in a scheme to manufacture jeans in Taiwan, bearing the Levi Strauss name.

Nolton and two directors, Mr.

Barry Newman and Mr. Charles Wells, are also entering a submission into the High Court agreeing to be bound by the British litigation. Both have been involved in court cases in their own countries, arising out of the scheme.

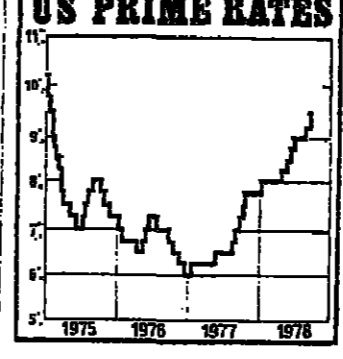
Other cases are pending in Belgium, the Netherlands, Switzerland and Hong Kong.

Maurice Irvine writes: In San Francisco, Levi Strauss called the operation "the most sophisticated, efficient and well-disguised of its kind" it had ever seen.

Levi agents located plants making the bogus jeans in Taiwan and tracked down shipments of more than 125,000 pairs to Switzerland, Belgium and the Netherlands.

News Analysis Page 3

US PRIME RATES



U.S. prime rates reach 9 1/2%

By Stewart Fleming

NEW YORK, Sept. 15

COMMERCIAL BANK prime rates hit their highest level in more than three-and-a-half years today when Citibank led major banks into an increase in the prime rate from 9 1/2 to 9 3/4 per cent.

Bank economists were calling the increase predictable in view of the continued upward pressure on short-term interest rates. Their view was underlined by the fact that Citibank, which adjusts its prime according to a mathematical formula, raised the prime from 9 1/2 per cent even though the formula did not dictate such an increase.

A bank spokesman said that it had moved anyway because the trend is upwards.

United States banks last lifted the prime—from 9 per cent to 9 1/2 per cent—on August 29, in the meantime the cost of borrowing in the U.S. both to the banks themselves and to major companies, has risen sharply.

Thus between August 29 and yesterday the cost of borrowing in the prime commercial paper market has risen from 7.85 to 8.35 per cent for one month, and from 8.05 to 8.40 per cent for three months, according to the New York investment banking firm of Salomon Brothers.

Commercial paper is an alternative to bank loans for large corporations.

Interest rates in the prime certificate of deposit market, where the banks themselves raise funds, have also risen in this two-week period. For one-month rates have gone up from 8.15 to 8.35 per cent and for three months, from 8.35 to 8.55 per cent.

These trends will have been one factor influencing the prime rate move. In addition, however, the money centre banks are active in refinancing a significant

Continued on Back Page

Plans for European monetary system

Giscard and Schmidt settle differences

BY JONATHAN CARR

AACHEN, Sept. 15

WEST GERMANY and France announced today they have ironed out several key bilateral differences between them over the workings of the proposed new European monetary system, due to come into force in the new year.

However, the two sides do not yet appear to have reached a joint view on what transitional arrangements should be made for countries which decide not to join fully in the system at the start. Two possible candidates here are Britain and Italy.

The monetary system, which aims to bring greater exchange rate stability in Europe, was the central topic in two days of consultations here between delegations led by President Valéry Giscard d'Estaing and Chancellor Helmut Schmidt. Other subjects discussed included the European Airbus scheme—but no decision was announced on whether Britain should be allowed to participate in the project as it wishes.

At a Press conference, Herr Schmidt said ironically that he regretted to disappoint sceptics who had been harping on the existence of problems between West Germany and France on establishment of the monetary scheme.

The two countries would go into the Community finance ministers meeting on Monday, at which the monetary system will be a key topic—united both in their aim and on the strategy to attain it. Under the timetable approved at the European summit meeting in Bremen in July, technical work is due to be completed by the end of next month so that Community leaders can decide in December on establishment of the system.

Herr Schmidt emphasised that at stake was not just a number of technicalities but a matter of prime political and economic importance for Europe. The transition from fixed to floating

exchange rates had weakened the Common Market. If this process were allowed to continue it could threaten the Community's very existence.

From of old, spokesmen from both sides said that agreement had been reached in three areas: the kind of unit to be used at the core of the system; intervention policy; and the size and nature of the new European monetary fund.

These matters were covered in the document issued after the Bremen summit, but detailed consideration by experts later led to differences of interpretation—particularly over the base unit. West Germany, and other members of the present "snake" currency system, favoured a fixed yardstick against which the movements of the participating currencies would be measured.

France, apparently supported by Britain and Italy, seemed to prefer a yardstick based on a basket of currencies and itself continually altering.

Neither side would reveal details today of how these—and other differences—had been resolved. It was clear, however, that they did not want to prejudice the next round of discussion with Community partners.

However, Bonn Government officials privately recalled the fierce German opposition, not least in the Bundesbank, to any move towards a flexible monetary system that would be too flexible and thus increase the inflationary danger. And they note that Herr Karl Otto Pöhl, vice-president of the Bundesbank, was one of the key figures involved in producing the solution now agreed in Aachen.

These same experts are also known to have been examining overnight the problem of transitional arrangements for countries not fully participating in the system right away. But no agreement was announced.

Tanzania takes over all Lonrho operations today

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

THE TANZANIAN Government is to take over the operations of Lonrho in Tanzania today. Secretary Julius Nyerere's Press

clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

In Dar es Salaam last night President Julius Nyerere's Press Secretary said it had become clear that Lonrho was refusing to negotiate for the handover of Government takeover after accusing the company of the company of meddling in southern African affairs and of sanctions-hunting in Rhodesia.

OVERSEAS NEWS

Nicaraguan conflict threatens to spread

By Joseph Mann

MANAGUA, Sept. 15. NICARAGUA'S CIVIL rebellion, now in its third week, has caused serious splits among Latin American nations. Some are backing the embattled regime of General Anastasio Somoza Debayle while others have offered arms and soldiers to guerrillas trying to topple the Somoza Government. If the Nicaraguan conflict, what has so far been a civil war could be converted into a major regional conflict.

The neighbouring countries of Guatemala and Honduras, both headed by military men, have offered to send troops to Nicaragua to aid the 8,000-strong National Guard in putting down rebels who now hold the better part of four provincial capitals, including the country's second largest city, Leon.

At the same time, five Venezuelan warplanes and four Panamanian helicopters have arrived in Costa Rica to help the country defend itself against repeated Nicaraguan military incursions into Costa Rican territory.

Costa Rica, which has no army, navy or air force, is frequently used by guerrillas as a base for launching attacks against Nicaragua. Over the past few days, the Nicaraguan Army has repelled three guerrilla offensives in Costa Rica.

The Government of Costa Rica, headed by President Rodrigo Carazo Odio, has protested that Nicaraguan troops have violated its territory repeatedly, even killing some civilians.

Venezuela's President Carlos Andres Perez has been a strong foe of the Somoza Government and has called for foreign diplomatic intervention in order to stop the bloodshed.

A report reaching Nicaragua yesterday said that in Panama 1,500 civilians had volunteered to fight against Gen. Somoza. Cuba, which in the last decade was the target of attacks from anti-Castro exiles who launched the Bay of Pigs and other offensives from Nicaragua, has trained many of the Marxist guerrillas now threatening to bring down the Somoza Government.

Meanwhile, two Red Cross workers were shot dead yesterday outside the city of Leon by National Guardsmen. The Somoza Government, which imposed a nationwide state of siege and press censorship on Wednesday, has blocked access to the cities where fighting is going on.

National Guard commands using armour and air support are attempting to dislodge rebels from the cities of Leon, Chinandega, Esteli and Diriamba. The Government's strategy so far has been to concentrate reinforcements and fire power on one city, then moving on to another trouble spot.

More than 36 truckloads of reinforcements arrived in Leon yesterday in aid of the army garrison isolated in the centre of the city.

Opposition political leaders are awaiting a "major policy shift" from Washington which could pressure General Somoza into quitting and making way for a coalition Government. So far, however, the U.S. Government has been unable to decide on a positive course of action which might ease hostilities in Nicaragua.

Communications between the Central American republic and the rest of the world deteriorated yesterday. Telex and international news agency lines were cut.

Reuter reports: National Guards backed by helicopters attacked Leon, and engaged in heavy fighting with Sandinist guerrillas, who had controlled it until yesterday. At least 100 guerrillas and civilians were killed.

Thousands of inhabitants are said to have fled Leon.

Senate challenge to Carter on tax cuts proposal

By DAVID BUCHAN

THE SENATE Finance Committee has said it intends to add another \$2bn in tax cuts to the 1978 budget deficit to the 1979 tax relief Bill that the House of Representatives has already passed. A move that would make it almost impossible for the administration to keep next year's budget deficit to \$42-\$43bn.

President Jimmy Carter has reiterated the need to keep the 1979 budget deficit to the low forties of billions of dollars and the 1980 deficit to "the low thirties," in an attempt to shore up the dollar by curbing the inflationary effects of Government borrowing.

The Senate Committee is proposing the extra tax cuts as a means of offsetting the social security tax increases due to take effect next January. Others, including Federal Reserve chair-

man, Mr. William Miller, have suggested the social security increases should be postponed.

Mr. Carter strongly criticised the composition of the tax cuts in the House Bill, arguing that they favoured the middle and upper income taxpayers and were not egalitarian.

The Administration still hopes the Senate will redress this imbalance. But yesterday the Senate Finance Committee voted to raise the personal tax exemption from next year from \$750 to \$1,000, as the House had already done, and to wipe out the general tax credit. The move was seen as regressive by Administration officials.

Arguments over the size of next year's overall tax cuts centre on what kind of a macro-economic stimulus the American economy is thought to need. Industrial production figures released by the Federal Reserve Board today show the economy seems to be holding steady, with production up 0.5 per cent in August.

The August production figure, because of a small slowdown in consumer goods output, was slightly down on the revised industrial production increase recorded in June and July. But it is still in line with industrial growth in the past 12 months of 6.2 per cent. There is some worry, however, that the rise in recent months of inventories and stocks held by manufacturers and a slackening of sales may lead to a slowdown in production later this autumn.

Bonn accord on Turkish debts

By METIN MUNIR

AGREEMENTS were signed here today for restructuring overdue Turkish debts of about DM 650m to West Germany. Turkey's biggest trading partner.

Of the total DM 165m was state-to-state loans and DM 485m guaranteed debts to German suppliers. Under the agreement, the former will carry an interest rate of 2.5 per cent and the latter 6.5 per cent. Debts to the state and commercial

credits maturing in more than one year will be repaid over eight years while the term for debts with maturities of less than one year will be six years.

The three agreements were signed by the director of the Turkish Treasury, and the head of the West German Ministry of Finance department which handles debt rescheduling. They were concluded within the framework of last May's debt

scheduling accord between Turkey and the OECD.

Similar agreements have been signed with Norway, Austria, Belgium and Sweden, and the German deal brings the total of scheduled debts to \$350.8m out of an OECD total of \$1.9bn.

A Soviet trade delegation under Deputy Trade Minister Mr. Ivan Girishin arrived in Ankara today. Talks will be held on an oil-for-wheat deal and a three-year trade agreement.

Ranger uranium mine go-ahead

By PAUL CHEESERIGHT

ALL OBSTACLES have been cleared for the development of the world's richest known concentration of uranium resources, in the Northern Territory of Australia.

Mr. Malcolm Fraser, the Australian Prime Minister, said in Canberra yesterday that the Northern Lands Council, a statutory body representing the interests of Aborigines, had agreed to ratify an agreement allowing the Ranger project to proceed.

Construction of the mine by the joint venture members, Peko-Wallend, E.Z. Industries and the Australian Atomic Energy Commission, is expected to start before the onset of the imminent wet season, allowing the first production to come to market by 1981.

The decision of the Northern Lands Council brings to an end three weeks of uncertainty and follows the intervention of Mr. Fraser, who had talks with

Aboriginal leaders. The Government had made it clear that uranium development in the Northern Territory would not go ahead without Aboriginal approval.

The agreement now to be ratified provides for the Aborigines to receive a 4.25 per cent royalty on uranium sales and sets the environmental conditions for the development of Ranger. But it establishes a precedent for subsequent operations by other companies wishing to exploit Northern Territory uranium deposits.

Australia holds about 20 per cent of the world's known uranium reserves and will be a source of supply for Europe and Japan.

Laurie Oakes writes from Canberra: The Australian Government has appointed a special committee of Ministers to deal with industrial relations problems. The committee was established on Wednesday at a

Cabinet meeting called to discuss a strike by about 10,000 dockers, which had closed all major ports.

The Employment and Industrial Relations Minister, Mr. Tony Street, announced the decision today after the dockers agreed to return to work. The strike began five days ago, when some members of the Waterside Workers' Federation were stood down because the dispute, involving maintenance men in Melbourne, had closed two container terminals.

At Wednesday's Cabinet meeting, Mr. Street argued successfully that the Government should stay out of the wharf dispute and allow it to be settled by negotiation. But Ministers favouring a tougher line against militant unions insisted on the establishment of a committee to oversee industrial relations policy. The waterfront strike had immobilised more than 100 ships, and held up at least AS100m of cargo.

If this rate remains unchanged in the second half, 1978 will bring the West Germany economy scarcely any acceleration from the appointing 2.4 per cent achieved in 1977.

Count Otto Lambsdorff, the Economics Minister, predicted last January that 1978 as a whole would see a growth rate of about 3.5 per cent, though he warned that the target was ambitious. It has been clear ever since the first quarter's widespread industrial stoppages that estimates would have to be lowered.

Basque win in constitution vote

By DAVID GARDNER

THE THREAT of a Basque boycott of the new Spanish constitution temporarily receded last night after the surprise approval by the Senate constitutional commission of an amendment recognising the Basque country's historic rights.

The amendment, put forward by the Basque Nationalist Party (PNV), was passed after lengthy confusion during which the Government and Opposition initially voted erroneously for each other's motion.

But while the mistake was being corrected, a Catalan Senator persuaded three Senators by royal appointment on the commission to make their involuntary switch of vote permanent. This pushed through the Basque amendment by a margin of one.

Devolution has proved the thorniest question in the constitutional debate, which have otherwise been characterised by broad agreement between the major parties.

The minority PNV withdrew its deputies from Congress last July, before the vote on the final text to be passed to the Senate.

It has since been locked in fruitless negotiations with the Government, which is concerned that PNV rejection of the constitution could lead to increased instability in the Basque country.

The prospect of PNV rejection increased on Wednesday when the governing Union of the Democratic Centre (UCD) broke with the consensus and introduced three surprise amendments, which would reinforce central government control over the future autonomous territories.

The PNV executive was drafting a stern warning to the Government last night when the news of their success in the Senate reached them. But their jubilation may be short-lived, since the amendment has to pass the plenary session of the Senate

next week, and be approved by the constituent assembly, elected by both Senate and Congress.

A senior UCD parliamentary spokesman has already given notice that his party will try to reverse the vote, while Socialist, Communist and even Catalan support for the Basque nationalists has been principally out of anger at the UCD's unilateral rupture of the parliamentary consensus.

The strike among Barcelona pump attendants—called by the anarcho-syndicalist National Confederation of Labour on September 2—took a serious turn yesterday with the arrest of 71 strikers who were occupying a service station. The strike is opposed by the Socialist and Communist-led unions, as well as by local authorities.

Angola's stake in Gulf offshoot

THE ANGOLAN State oil company Sonangol will take a 51 per cent stake in the Gulf Oil Corporation subsidiary Cabinda Gulf Oil, the national news agency Angop reported.

It said a takeover decree authorised by Angolan President Agostinho Neto was based on a new law regulating activities of oil companies in Angola.

In Pittsburgh, a spokesman for Gulf said "we've not been informed of this yet." We have been told that it is on since the beginning of the year.

Angop said provisions of the new law ensure that Sonangol will dominate oil exploration in Angola.

Gulf Oil owns 100 per cent of Cabinda Gulf Oil. The Cabinda operation was Congress from December 1975 until March 1976 during the conflict in Angola.

Reuter

Iranian oil consortium negotiations break down

By Andrew Whitley

TEHRAN, Sept. 15. TALKS BETWEEN Iran and its major Western oil-producing partners broke down today after lengthy negotiations in the search for a new long-term relationship. However, present oil production and purchasing arrangements between the two sides will remain in force.

A statement issued by the National Iranian Oil Company (NIOC) said that in the course of the past eight months, the two sides had agreed on "a number of important issues." But, it went on, "it was not possible to agree on all the issues necessary for the completion of a new long-term agreement."

Well-informed sources say the serious internal political crisis in Iran adversely affected the chances of reaching agreement. Oil is an emotive issue for ordinary Iranians, and there has been possible three to four months ago was not possible now.

The latest round of talks, which began last Saturday, apparently failed to overcome the major stumbling block of the split between supporters and opponents of Mr. Sadat or to move towards a unified position.

The anti-Sadat Arabs—the "steadfastness" front—composed of Syria, Libya, Algeria, South Yemen and the Palestine Liberation Organisation (PLO)—are due to meet in Damascus on Wednesday. But they are expected to decide in favour of a reconciliation with Mr. Sadat.

It is significant that President Hafez Assad said in Bonn on Thursday that, while he was unwilling to meet Mr. Sadat personally after Camp David, he would be ready to attend a reconciliation summit with Mr. Sadat if he renewed suggestions for the convening of a Geneva peace conference. This would notably reintroduce the Soviet Union as a co-chairman.

Prince Saud al Faisal, the Foreign Minister of Saudi Arabia, which has been playing a key role in setting up a summit, few

Arabs may end rift after Camp David to challenge Israel

By ANTHONY McDERMOTT

ARAB STATES, anticipating failure at the Camp David negotiations, are now actively working towards convening a summit conference in order to mend splits within their ranks and to work out strategy with which to confront Israel.

Reflecting the general Arab attitude towards the Camp David meetings, a diplomat in London yesterday described them as "a dialogue of three gentlemen, talking three different languages, without an interpreter."

Both Egypt and Syria, the leader of those states opposed to President Sadat's initiative, are going to Jerusalem last November and continuing direct negotiations with Israel, are looking towards the mediating efforts of Saudi Arabia to produce a summit.

The Arab world has two options on how to face the outcome of the Camp David talks—to widen the split between supporters and opponents of Mr. Sadat or to move towards a unified position.

The anti-Sadat Arabs—the "steadfastness" front—composed of Syria, Libya, Algeria, South Yemen and the Palestine Liberation Organisation (PLO)—are due to meet in Damascus on Wednesday. But they are expected to decide in favour of a reconciliation with Mr. Sadat.

It is significant that President Hafez Assad said in Bonn on Thursday that, while he was unwilling to meet Mr. Sadat personally after Camp David, he would be ready to attend a reconciliation summit with Mr. Sadat if he renewed suggestions for the convening of a Geneva peace conference. This would notably reintroduce the Soviet Union as a co-chairman.

Prince Saud al Faisal, the Foreign Minister of Saudi Arabia, which has been playing a key role in setting up a summit, few

France 'prepares more steel rescue plan'

By David White

PARIS, Sept. 15. A RESCUE plan which brings France's biggest making companies under control is reported to be for presentation by the Government next week.

Under reported plan, drawn up yesterday talks with creditor industry leaders, the Government would convert some of industry's outstanding loan direct shareholdings, giving majority in the giant Usine Sidor-Long steel groups.

Some 20 steel companies would probably bring change top management, would be as an interim measure, if the possibility open for State's participation to be off when the worst of the crisis is over.

The reported plan, with proposals in another France's most crisis-ridden industrial sectors, under control of the main ship business in Marseilles was assumed by local government.

The plan for the bar Terni group, in which redundancies were announced last week by a team of off appointed receivers, was sent by the Socialist mayor, M. Gaston De

and approved by the city council. The plan also included a minority Communist faction. According to M. Defferre, French Government has assurances of financial support similar to those offered last prospective bidder Gilbert Fourrier, whose basic plan was turned down in a referendum.

The steel industry pl believed to entail further backs involving between 20,000 jobs.

Heavy losses

Usinor, the largest producer with an annual output of 7m tonnes, is controlled by the Denain Nord-Est Ltd holding company, while Sidor-Long is part of the W. Sidor group.

Usinor reported continuation heavy losses this year, short first-half shortfall before a drop of FF8.57m (£70m) Sidor group, concentrated Lorraine, saw its net losses more than double last year, staggering FF2.55m (£207m).

At the beginning of 1977, the Government earmarked FF8.500m in loans for two groups, having pumped in FF1.35m last year.

The Government's latest as yet unconfirmed, is to entail conversion of FF10bn which has been in the State soft loan asset. Social and Economic Development Fund, into so-called "participating loans," a new created device which would the State effective voting.

Payments to service Government loans would be pending for the time being. State would also agree of interest on new loans on FF13bn worth of issued over the last few years by the Groupement de l'Industrie Siderurgique (GIS), a raising concern represented industry as a whole. This concern not to upset control in the steel industry.

A partial moratorium on the companies' long medium- and short-term debt, which is estimated further FF10bn.

Between them, the State banks, themselves nationalised, would approve a loan of FF10bn to boost the steel core through resources by new equity capital.

Designer of Messerschmitt fighter dies

By Michael Donne

DR. WILLY MESSERSCHMITT designer of the 108, one of many's most successful aircraft of the Second World War, died in hospital in Nuremberg yesterday—the anniversary of the Battle of Britain in which he was shot down and was defeated by the RAF's Spitfires and Hurricanes.

The aircraft company founded in 1925 at Bamberg, Bavaria, became one of the famous names in German world aviation. The firm lives today, as part of the Messerschmitt-Boelkow-Blohm group, still making many aircraft, such as the Anglo-German-Italian Tornados, Messerschmitt was born, chairman of MBB.

He began his aviation designing and building aircraft in the late 1920s—famous 108 fighter—over of which were built before the Second World War emerged in 1939 and was established as the premier aircraft of the newly-created Luftwaffe. It won several international prizes and trophies in 1937.

Dr. Messerschmitt's talents were also turned to aircraft, and from the late 1930s he was working on what was to become the Me-262, into operational service in summer of 1944, just as the RAF's Gloster Meteor, opening a new era in jet warfare, but too late to turn the tide of the war.

After the war, Dr. Messerschmitt was held in custody by the Allies for two years, was exonerated by an American court, which said that he had been compelled to build aircraft for the Luftwaffe as his will.

Financial Times, published daily except on Sundays and public holidays. U.S. subscribers: for details of rates and conditions of sale, apply to the nearest subscription agent or to the publishers, 1, Cannon Row, London EC4A 3DF. Second class postage paid at New York.

Joint investment opportunity in the automotive exhaust business

Large international firm with 1,500 retail dealers across U.S. and Canada is establishing a retail dealer network for automotive exhaust repair throughout the U.K. and is seeking an active partner to work with. Principals only.

Please call September 12-17 for appointment
Mr. V. Loscalzo, pres. at Intercontinental Hotel
Tel: 01-409 3131

COMPANY NOTICES

O.K. BAZAARS (1929) LIMITED
(Incorporated in the Republic of South Africa)
NOTICE IS HEREBY GIVEN that the undistributed half-yearly dividends have been declared payable on the 27th September, 1978, in the currency of the Republic of South Africa, to all holders of the respective classes of shares registered in the books of the Company at the close of business on the 26th September, 1978.

First Class Cumulative Preference Shares, Dividend No. 88-3X
Second Class Cumulative Preference Shares, Dividend No. 70-2-1
The usual non-resident shareholders' tax of 15% will be deducted where applicable.

The registers of members will be closed in Johannesburg and London from the 26th to the 27th September, 1978, both days inclusive, for the purpose of the payment of the above dividends.

By Order of the Board,
I. B. PARNALL, Secretary.

London Registrars:
Wili Samuel Registrars Limited,
40, Abchurch Lane,
London, EC4N 3DF.

Registered Office:
O.K. Buildings,
Bluff, Primrose and President Streets,
Johannesburg,
24th August, 1978.

TERRITORIAL DISPUTE IN THE BALKANS

Passion still roused over Macedonia

By PAUL LENDVAI RECENTLY IN BLAGOEVRAD

A RENEWED verbal flare-up over Macedonia shows that the disputed area is still a powder keg in the Balkans, splitting between Slavs and Communists and affecting the East-West balance of power.

Between 1912 and 1944, Bulgaria was involved in two Balkan wars and two world wars to regain territories, including Macedonia, promised by the still-born treaty of San Stefano in March 1878 and lost at the Congress of Berlin the same year.

Macedonia, ruled for 530 years by the Ottoman Empire, was divided in 1913, mainly between Serbia and Greece. Bulgaria was allotted a mere 10 per cent, some 6,500 sq km, which constitute today what is officially called the Blagoevgrad district (Pirin Macedonia).

Yugoslavia and Bulgaria accuse each other of harboring covert territorial claims, and the latest round of mutual accusation began on June 15 when the Bulgarian party leader and head of State, Mr. Todor Zhivkov,

offered to go immediately to Belgrade to sign a final declaration with Marshal Tito about the renunciation of territorial claims and the inviolability of frontiers.

Bulgarian officials are angry that what they regard as a conciliatory offer has not only been ignored but even used for a further escalation of polemics from the Yugoslavs. Blagoevgrad is the main bone of contention.

The Yugoslavs accuse the Bulgarians of "statistical genocide." In 1956 the Bulgarian census in this region revealed 179,000 ethnic Macedonians; in 1965, their number was given as 1,500; and by 1975 a census failed to produce any Macedonians at all.

Bulgarian Deputy Foreign Minister, Mr. Boris Zvezkov, told the Financial Times that, after World War II Yugoslavia wanted to incorporate the Pirin region, exploiting Bulgaria's difficult situation and the preparations for the creation of a Balkan federation. "This intention continues to exist. Though they never say it officially, the aim of

the Yugoslavs has remained the same," he added.

As to the Yugoslav accusations of violating the UN charter and the Helsinki agreement by not respecting the rights of the Macedonian minority, the Minister drily remarked, "We cannot discuss a minority which simply does not exist."

The Yugoslavs are concerned that if the Bulgarians do not recognise the existence of a Macedonian nationality in the Pirin region, they also hold that the 1.2m Macedonians in Yugoslavia are Bulgarians and not Macedonians at all.

"Macedonia is a geographic term and nothing more," says Mr. Angel Asenov, the chairman of the Blagoevgrad regional committee for culture. "Macedonia is in reality Bulgarian territory and the so-called 'Macedonian language' merely a Bulgarian dialect. But what should we do? Yugoslavia is the inter-war period tried to convert people of pure Bulgarian stock into Serbs—and now into Macedonians."

What they do on their own territory, is their business."

But Bulgarian officials do not give a clear answer to the simple question about the 1956 census. The reasons are clear: in those days the Soviet leadership sought a reconciliation and rapprochement with Yugoslavia. As in 1946-47 in the case of the abortive plans for a Balkan federation, Bulgaria had to pay the price in the form of concessions to Yugoslavia over the Macedonian issue.

Today as ever Bulgaria is a most loyal ally of the Soviets, and the Yugoslavs hint that Bulgaria's pretensions "are sponsored or at the very least encouraged by Moscow. But Western diplomats in Sofia caution that the situation is more complex and that the Yugoslavs have overreacted to the Zhivkov initiative.

It is only through talking to Bulgarian (and Yugoslav) intellectuals, scholars and officials that the visitor gains a real insight into the passions that still envelop a seemingly merely historical dispute.

The positions of the two sides over Macedonia appear to be irreconcilable. A few days after visiting Hua Kua-Feng's recent visit to Yugoslavia, President Zhivkov toured the area, for the second time within 10 weeks, and told party officials that China was fanning the flames of discord but that Bulgaria would side with its constructive policy in the Balkans. Yet there is still no answer to the question: Where have the Macedonians disappeared to?

insight into the passions that still envelop a seemingly merely historical dispute.

The positions of the two sides over Macedonia appear to be irreconcilable. A few days after visiting Hua Kua-Feng's recent visit to Yugoslavia, President Zhivkov toured the area, for the second time within 10 weeks, and told party officials that China was fanning the flames of discord but that Bulgaria would side with its constructive policy in the Balkans. Yet there is still no answer to the question: Where have the Macedonians disappeared to?

insight into the passions that still envelop a seemingly merely historical dispute.

The positions of the two sides over Macedonia appear to be irreconcilable. A few days after visiting Hua Kua-Feng's recent visit to Yugoslavia, President Zhivkov toured the area, for the second time within 10 weeks, and told party officials that China was fanning the flames of discord but that Bulgaria would side with its constructive policy in the Balkans. Yet there is still no answer to the question: Where have the Macedonians disappeared to?

insight into the passions that still envelop a seemingly merely historical dispute.

The positions of the two sides over Macedonia appear to be irreconcilable. A few days after visiting Hua Kua-Feng's recent visit to Yugoslavia, President Zhivkov toured the area, for the second time within 10 weeks, and told party officials that China was fanning the flames of discord but that Bulgaria would side with its constructive policy in the Balkans. Yet there is still no answer to the question: Where have the Macedonians disappeared to?

insight into the passions that still envelop a seemingly merely historical dispute.

HOME NEWS

N. Sea gas will supply UK for more than 20 years

BY KEVIN DONE, ENERGY CORRESPONDENT

NATURAL GAS supplies for the UK are assured into the next century, Mr. George Scott, deputy chairman of North West Gas, said yesterday.

Contracts between British Gas and North Sea producers will cover supplies for more than the next 20 years. Further gas has been discovered that is not yet under contract.

Mr. Scott, addressing the quarterly meeting of the North West Industrial Development Association in Manchester yesterday, said: "Some of the world's biggest discoveries have been made in the secondary phase of exploration, a stage not yet reached offshore in Britain."

"Exploration of the British

continental shelf is still at a relatively early stage, and large areas remain unexplored."

British Gas has just completed the final well in the present stage of its appraisal of the gas field in Morecambe Bay.

Oilfield

The 12 Offshore Mercury has moved to Cardigan Bay to drill the first well in the English Channel.

British Gas will be bringing on stream its Wyth Farm on-gas stream in Dorset in November.

The Gas Corporation is in the final stages of building a pipeline to take the oil the short

distance to storage tanks and a rail terminal at Furzebrook. From there the oil will be moved to British Petroleum's refinery at Llandarcy, West Glamorgan.

British Gas and British Petroleum both have a 50 per cent interest in the field, which is expected to provide about 16,000 barrels of oil a day at peak production.

About £8m has so far been invested in developing the field, which is expected to have a life of 15 to 20 years.

British Gas will shortly apply to Dorset County Council for permission to drill more exploratory wells in the Wyth Farm area to appraise additional finds made at a deeper level.

Asbestos dust found in Commons roof

BY PHILIP RAWSTORNE

THE HOUSE of Commons ventilation system and the roof space over the chamber have been contaminated by asbestos dust.

Recent tests had shown small amounts of dust in the chamber itself, but levels had not reached danger point, the Department of the Environment said yesterday.

MPs and others working in the Commons were informed yesterday that inspection had revealed that the sealing of blue asbestos sheeting, used as insulation in the roof space of the chamber, was unsatisfactory.

The asbestos had been sealed, and the roof space, which serves as an extract duct, was being decontaminated. Workmen employed on the task were fully protected against the health risks.

White asbestos linings in the Commons ventilation ducts, which serve most of the House, including the chamber, were being replaced with asbestos-free material.

Tests have indicated no significant risk in the House of Commons beyond the actual roof-space, the Department of the Environment said.

Plans were being prepared for the removal of the blue asbestos, but this would be a major operation, requiring careful planning, and was unlikely to be carried out before the summer recess next year.

Tests were continuing to ensure that health conditions in the Commons remained satisfactory.

NEWS ANALYSIS—IMITATION JEANS

Levi makes it the dearest form of flattery

BY RHYS DAVID

PIRATING OF designs is something to which textiles have always been prone. But while it is often merely a nuisance, it can sometimes be sufficiently serious to make the big international organisations which now control much of the textile industry hit back.

This was evident from a court case in London this week involving the jeans manufacturer Levi Strauss.

In a settlement which Levi is certain to regard as a major victory in its battle to protect its name, Norton Management Services is to pay \$500,000 and is accepting a court order prohibiting the manufacture or sale of jeans imitating Levi products or infringing its trade marks.

Copies

Other cases are pending in Belgium, the Netherlands, Switzerland and Hong Kong.

In the case now settled in London, the company got wind of a much bigger operation. Norton was accused by Levi of conspiring with John Hammon, a former production assistant at the company's El Paso plant and a Taiwan businessman Mr. Davis Ying in the manufacture and sale of imitation Levi's produced by a company named Levi Strauss and Co. of Taiwan.

In the event, the factory in Taiwan was raided and a number of fakes seized while others were also recovered in Europe before very many had reached the market.

Although nipped in the bud, it was—according to Levi Strauss—very serious, as it was the biggest clothing company in the world on the back of the jeans boom—the most sophisticated operation they had come across.

It is a judgment which follows a long period of detective work by Levi, carried out by a corporate security department staffed, it is rumoured by U.S. Secret Service men, Federal Bureau of Investigation and even British Intelligence agents, which costs the company more than \$500,000 a year.

Most of the time the team is involved in tracking down fairly small-scale operations, passing off relatively poor copies of Levi products.

All the leading jeans companies copyright not only their names but different styles of stitching, and in particular the all important stitched symbols which usually appear on the back pockets such as Wranglers' W.

Jeans have been an obvious target for the counterfeiters for a number of reasons. The boom has gone on much longer than anyone expected with total sales in 10 leading European countries climbing from 38m pairs in 1970 to more than 170m pairs last year.

Total sales in the UK are likely to be about 20m-40m pairs this year, giving jeans a bigger share of the market than conventional trousers and creating a market worth £350m at retail values.

The established companies have had difficulty bringing in sufficient capacity to meet demand, so that the genuine article from top names such as Levi has been in short supply.

At the same time competition among jeans retailers—as a stroll down London's Oxford Street or any provincial shopping precincts will suggest—is intense so that a ready-made market for a cheaper but not-so-genuine article exists.

For the big U.S. groups that suffer pirating, such as Levi and Wrangler, more than mere loss



The latest Feminine Fit jeans by Levi have two cleverly placed darts at the back to give a snug fit. The material is a new denim called Dura Pins.

of business is involved, however. The big companies place considerable emphasis on quality control, so that a guarantee on wearing and washing properties can be given to the buyer.

It becomes difficult to persuade people when they subsequently return sub-standard merchandise with a bogus Levi name on it that it has been made by a counterfeiter.

Though the biggest and best-organised attempt to sell false Levi's has come to nought, it is unlikely the company will now relax its vigilance.

As the jeans boom has progressed, the position of the big groups has if anything been strengthened, making them even more of a target for imitators.

Fabrics

The higher groups have the resources needed to widen their product range into other types of leisure clothing such as shirts, blouses and shoes, and have also been able to introduce other jeans fabrics such as corduroy and canvas alongside denim.

Altogether there are an estimated 70 brand names in the UK competing in a business which is increasingly likely to demand continued fashion change, high making up standards and high advertising expenditure.

In markets all around the world Levi's will clearly be hoping that the settlement reached in London will deter all but fair competition in what is likely to remain a keenly contested business.

Would-be counterfeiters are now left to ponder that in business at any rate, imitation may be the dearest rather than the sincerest form of flattery.

Heron plans for U.S. business

BY TERRY DODSWORTH

HERON CORPORATION, the private company headed by Mr. Gerald Ronson, plans to open an office in New York in January as the first step in a drive to develop a substantial base in the U.S. over the next ten years.

No specific plans have yet been drawn up for developing the business but Mr. Ronson says he might look at some property ventures and wholesaling businesses. "I am not aiming to get into a big labour area."

Mr. Ronson intends to spend one week a month developing the U.S. activities, which he would like to see providing about one-third of the company's business by the mid 1980s. The aim is a balanced spread of activity between the UK, U.S. and the Continent.

Heron, which claims to be Britain's second largest private company, announced its involvement in a \$150m development plan for a riverside site on the South Bank in London.

The company has expanded rapidly in recent years, with a property portfolio which stretches throughout Europe, and a number of other trading activities.

It is the majority shareholder in the quoted Heron Motor Group, owns the Suzuki UK motorcycle franchise, runs the Heron service station business, and is building up a consumer

products group on the basis of the Innersoil, vacuum cleaners and distributing company which it recently bought. It also has a housebuilding division, and has

More moves to simplify and explain taxes

BY MICHAEL BLANDEN

FURTHER MOVES to simplify and explain taxes are being undertaken by the Government, Mr. Robert Sheldon, Financial Secretary to the Treasury, said last night.

He added that the income tax system had been designed for the better-off, but its scope had increased in post-war years so that more than 85 per cent of the working population paid income tax.

"To very many of these taxpayers the tax system is a mystery," he said, "and it is our duty to make it simpler and more understandable."

He told the Chartered Institute of Public Finance and Accountancy new towns weekend school, at Padgate College, Warrington, that complexity was unavoidable in dealing with the tax affairs of many businesses and of individual taxpayers with several sources of income.

recently moved into insurance through the acquisition of the National Insurance and Guarantee Corporation. Man of the Week, Back Page

But, for the majority of taxpayers whose sources of income were few and whose affairs were relatively uncomplicated, "the aim must be to increase their understanding of the income tax system."

Some steps had been taken, including replacement of child tax allowances by non-taxable child benefits and the decision to allow life assurance premiums to be paid net of tax.

One part of the tax system which had received attention was the tax treatment of husband and wife. The Government hoped to publish next year a Green Paper on the taxation of the family.

Explanatory leaflets, designed for greater comprehension, should be available by the end of the year and the Inland Revenue had revised the format of the P1 tax form, by far the most commonly used.

Explains the tax system, including replacement of child tax allowances by non-taxable child benefits and the decision to allow life assurance premiums to be paid net of tax.

One part of the tax system which had received attention was the tax treatment of husband and wife. The Government hoped to publish next year a Green Paper on the taxation of the family.

Explanatory leaflets, designed for greater comprehension, should be available by the end of the year and the Inland Revenue had revised the format of the P1 tax form, by far the most commonly used.

Howden wins £62m power station order

BY MAX WILKINSON

HOWDEN, the Glasgow-based engineering company, yesterday announced a £62m (£82m) power station order in Canada, the first since it broke its connection with C. A. Parsons of Newcastle, now part of Northern Engineering Industries.

At the time of the break with Parsons, Howden said that it was teaming up with the Swiss electrical group, Brown Boveri for collaboration on turbine generator design and manufacture.

Brown Boveri will have a substantial slice of the new

Canadian business which, under the previous arrangement, would have gone to Parsons.

The order placed with Howden Canada, is for four 900 MW turbine generator sets for Ontario Hydro. The units are destined for Darlington nuclear power station at Lake Ontario.

Two 200 MW sets are to be supplied to a coal-fired station in North Ontario. The total value of the contract is £83.6m (£150m), of which Howden Canada's share is £81.4m. The work will be spread over 1980 to 1988.

Heights, were offered to any developer who would improve and manage them.

No developments are expected until next week at the earliest, as the Liberal leaders of the City Council have been attending the Party conference.

When the decision was made to offer the blocks for sale, Mr. Trevor Jones, council leader, said he was prepared to see them go for £1 a time to save the £900,000 it would take to demolish them.

The blocks, known as the Haigh, Canterbury and Croshaw

FT gives £50,000 loan to consultancy

Financial Times Reporter

THE FINANCIAL TIMES has lent £50,000 to a leading international telecommunications consultancy, Communications Studies and Planning.

Since it was formed in 1976, the consultancy has worked for a wide range of clients in Europe and North America, including governments, telephone administrations (such as the British Post Office), and large industrial companies.

It employs 22 full-time consultants, and its turnover for the year ending in October will be about £280,000.

The loan will help finance the consultancy's expected business growth.

In exchange for the loan, whose level will be reviewed annually, the consultancy will keep FT management in constant touch with developments in telecommunications technology and applications.

Cutlery makers to hold 'peace talks'

Financial Times Reporter

THE TWO sides in the Sheffield cutlery industry dispute are expected to hold their first meeting shortly to see if common ground can be established on the issues which divide them—principally how the industry can survive in the face of high imports.

The Cutlery and Silverware Association has accepted an invitation to direct talks with the recently-established Federation of British Cutlery Manufacturers.

To start the talks, Mr. Brian Viner, Cutlery and Silverware Association President, will meet Mr. John Price, the federation's president, under an independent chairman to draw up an agenda. Then there will be a further meeting with others from each side present.

Farnborough organiser dies

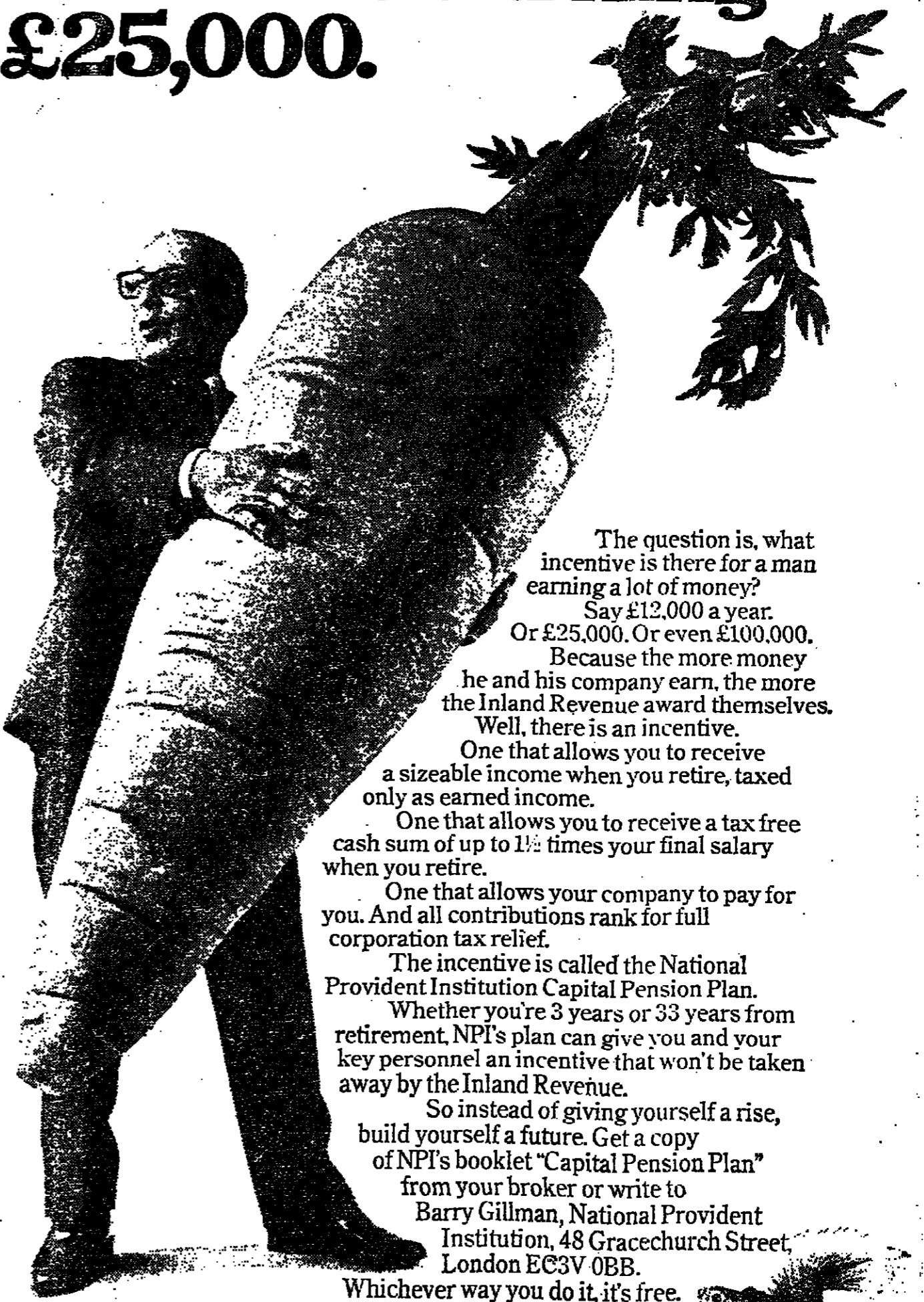
THE DEPUTY director of the Society of British Aerospace Companies and organiser of the past four Farnborough air shows, Mr. Blaise "Bill" Mugford, died yesterday after a long illness.

Mr. Mugford, aged 55, retired from the RAF as a Group Captain. He was on duty during the Farnborough show that ended last weekend.

Sales record

SALES of West Yorkshire Co-operative Society in the first half of this year reached a new high of £22.8m, an increase in real terms of £3m on the same period a year ago. A sales increase of 30 per cent was achieved. The society has spent £4m in the past four years on development; two big stores will be opened next year.

An incentive to all directors earning over £25,000.



The question is, what incentive is there for a man earning a lot of money?

Say £12,000 a year. Or £25,000. Or even £100,000.

Because the more money he and his company earn, the more the Inland Revenue award themselves. Well, there is an incentive.

One that allows you to receive a sizeable income when you retire, taxed only as earned income.

One that allows you to receive a tax free cash sum of up to 1½ times your final salary when you retire.

One that allows your company to pay for you. And all contributions rank for full corporation tax relief.

The incentive is called the National Provident Institution Capital Pension Plan.

Whether you're 3 years or 33 years from retirement, NPI's plan can give you and your key personnel an incentive that won't be taken away by the Inland Revenue.

So instead of giving yourself a rise, build yourself a future. Get a copy of NPI's booklet "Capital Pension Plan" from your broker or write to

Barry Gillman, National Provident Institution, 48 Gracechurch Street, London EC3V 0BB.

Whichever way you do it, it's free.

npi



"Investing today just isn't worthwhile.

It's too risky. And even if you gain, the tax man takes most of it."

If that is the way you feel, maybe you should turn to Providence Capital's major announcement in the business pages of this paper.

HOME NEWS

Company can turn bone into food

By David Fishlock, Science Editor

CHEMICAL PROCESSING methods for converting fresh animal bones profitably into ingredients of foods and drugs have been demonstrated by a Bedfordshire company, Lensefield Products.

First indications from food manufacturing trials are that the products are "very large indeed," says Dr. Alan Jobling, managing director of Lensefield Products, an associate company of C. and T. Harris, of Calne, the pork pie makers and a division of FMC, the group financing the project.

The Wolfson Foundation has made a grant of nearly £50,000 to the School of Chemical Engineering at Bath University to design a continuous process for bone conversion from techniques already demonstrated by the company. The work will include construction of a pilot plant.

The new technology converts fresh bone into products three or four times more valuable than those produced by rendering down for non-food uses the 8-12 per cent of live animal weight which constitutes bone.

The basis of the new process is separating bone into three streams—edible fat, protein and bone phosphate—each of which promises to find a profitable market. The protein and phosphate emerge as dry, stable and almost sterile powders.

About one-sixth of the weight of raw bone is protein. As protein powder, it is easily reconstituted by adding water, says Dr. Jobling, and is a relatively inexpensive protein in the chemical composition of which is close to lean meat.

Trials suggest that it can be added to meat products such as pies and sausages.

Mid East oil 'no real threat' to West

By Sue Cameron

PETROCHEMICAL DEVELOPMENT in Middle Eastern oil producing countries will not pose any real, long-term threat to producers in Western Europe and the U.S., Mr. Ernst Werner, managing director of the Royal Dutch/Shell group, said yesterday.

Mr. Werner, speaking to the Technological Club at Delft in Holland, predicted that by 1980 there would only be a modest-sized petrochemical industry in the Middle East—the region would not become the focus of world petrochemical production as some commentators had suggested. He said feedstock prices and the lack of technical expertise in the Middle East would combine to act as a brake on any large-scale petrochemical development.

Impact

"I am sure that in the next 20 to 30 years we will see the construction of more petrochemical complexes in the oil producing countries of the world, in particular in the Middle East," Mr. Werner said. "Do not believe, however, that their impact on the petrochemical industry of the rest of the world will be great."

"One reason for thinking that development in most of the oil producing countries will be rather modest is because of their lack of the necessary infrastructure and technical culture. There is a real problem in the personnel area because the supply of highly trained supervisory engineers, skilled tradesmen and plant operators is not overabundant in any country and particularly not in rapidly expanding countries such as those of the Middle East."

"It is often claimed that the higher construction costs in the oil producing countries can be offset by the availability of cheap feedstock such as associated gas. In practice, however, this associated gas is only a cheap feedstock if it is sold in the chemical industry at prices lower than its alternative value as a hydrocarbon in energy or automotive markets. In this sense it would be more accurate to speak of subsidised rather than cheap feedstocks."

Distributed

Mr. Werner said that at the beginning of the next century the location of world petrochemical production would be much the same as it is today with Western Europe having about 30 per cent of production capacity, the U.S. 25 per cent, the Eastern Bloc countries 25 per cent, Japan 10 per cent and the other 10 per cent distributed around the rest of the world.

He said that over the next 25 years the volume growth of demand for petrochemicals and plastics would "decline sharply" although overall, the industry would probably maintain a slightly higher growth rate than industry in general. Mr. Werner said that if there were a general annual industrial growth rate of about 3 per cent in Western Europe in the 1980s, then the petrochemical industry would probably have an annual growth rate of 4 to 5 per cent. This would still be "highly significant."

Recovery may not peter out towards year-end

BY MICHAEL BLANDEN

THE OUTLOOK for continued economic growth appears slightly more encouraging, according to figures published yesterday by the Central Statistical Office.

Cyclical indicators, designed to provide advance warning of turning points in the economy, are rather more optimistic for the longer term than in earlier months. Figures have to be treated with some caution, however, for longer periods they are heavily reliant on the performance of the stock market.

Nevertheless, they seem to support the rather more hopeful view which has been gaining ground that the recovery may not peter out towards the end of this year.

The main pointer is given by the composite index of longer leading indicators, which looks ahead on average for just over a year. This index rose last month after showing a steady downward trend for nine successive months.

The index has to be treated with some reservations, since only two of the four economic variables which contribute were available. These were the Financial Times Actuaries' 500-share index, which showed a very sharp rise, and the short-term interest rate—used in inverted form—which fell.

Another of the components, the level of housing starts, is available only up to July, but this showed a rather less buoyant picture with a fall from the high level recorded in June.

A more cautious view also is suggested by the index of shorter leading indicators, which points about six months ahead. The fall recorded in June was maintained in July, although again only two of the five constituents were available. These were new car registrations, which fell sharply, and hire purchase new credit extended, which was slightly down.

The strong rise in retail sales continued to raise the level of the index of coincident indicators in July, although the index of manufacturing production was unchanged from the previous month.

EEC fishing policy talks stalled by election prospects

BY OUR ABERDEEN CORRESPONDENT

COMMON MARKET countries stalled during the last round of negotiations for a Common Fisheries Policy because they believed that a British general election was imminent and, along with it, a change in government.

Mr. John Silkin, Minister of Agriculture and Fisheries, said in Aberdeen yesterday.

Progress towards a satisfactory settlement had been lost during the uncertainty over a general election, but talks to be held later in the autumn might produce results, said Mr. Silkin.

Fishing talks resume in Brussels on September 25 and 26.

Referring to the Prime Minister's decision not to have an October election, he said: "It may simplify a few problems in the minds of some of my colleagues in Europe."

"The next few months, not September but October, November or December, might be a fruitful time to get down to the real question of settlement."

"As long as there was, in their minds, a kind of possibility or probability of an October Election, I noticed a certain reluctance to get to grips with the issues, but I believe that will be over now."

Conservation Britain had started to regain lost ground with the unilateral conservation measures taken in July to protect herring, said Mr. Silkin.

By the end of October, the negotiations would have people trying hard to find a settlement.

Much time had been spent in the past 18 months trying to convince Britain's EEC partners that a satisfactory fishing settlement was vital for Britain.

"They seemed to regard it as though we were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

COMMON MARKET countries stalled during the last round of negotiations for a Common Fisheries Policy because they believed that a British general election was imminent and, along with it, a change in government.

Mr. John Silkin, Minister of Agriculture and Fisheries, said in Aberdeen yesterday.

Progress towards a satisfactory settlement had been lost during the uncertainty over a general election, but talks to be held later in the autumn might produce results, said Mr. Silkin.

Fishing talks resume in Brussels on September 25 and 26.

Referring to the Prime Minister's decision not to have an October election, he said: "It may simplify a few problems in the minds of some of my colleagues in Europe."

"The next few months, not September but October, November or December, might be a fruitful time to get down to the real question of settlement."

"As long as there was, in their minds, a kind of possibility or probability of an October Election, I noticed a certain reluctance to get to grips with the issues, but I believe that will be over now."

Conservation Britain had started to regain lost ground with the unilateral conservation measures taken in July to protect herring, said Mr. Silkin.

By the end of October, the negotiations would have people trying hard to find a settlement.

Much time had been spent in the past 18 months trying to convince Britain's EEC partners that a satisfactory fishing settlement was vital for Britain.

"They seemed to regard it as though we were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

COMMON MARKET countries stalled during the last round of negotiations for a Common Fisheries Policy because they believed that a British general election was imminent and, along with it, a change in government.

Mr. John Silkin, Minister of Agriculture and Fisheries, said in Aberdeen yesterday.

Progress towards a satisfactory settlement had been lost during the uncertainty over a general election, but talks to be held later in the autumn might produce results, said Mr. Silkin.

Fishing talks resume in Brussels on September 25 and 26.

Referring to the Prime Minister's decision not to have an October election, he said: "It may simplify a few problems in the minds of some of my colleagues in Europe."

"The next few months, not September but October, November or December, might be a fruitful time to get down to the real question of settlement."

"As long as there was, in their minds, a kind of possibility or probability of an October Election, I noticed a certain reluctance to get to grips with the issues, but I believe that will be over now."

Conservation Britain had started to regain lost ground with the unilateral conservation measures taken in July to protect herring, said Mr. Silkin.

By the end of October, the negotiations would have people trying hard to find a settlement.

Much time had been spent in the past 18 months trying to convince Britain's EEC partners that a satisfactory fishing settlement was vital for Britain.

"They seemed to regard it as though we were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Mr. Silkin would not be drawn on the time or timing of any conservation measures, except to hint that more may be in store.

"We were after another ton of cod or herring... but that seemed to be their attitude: 'Give them another thousand tons and they will be happy'."

Ulster factory to make car parts

BY NICK GARNETT, LABOUR STAFF

AN ULSTER company, Texon Engineering International, is to start making car components in a new bottling plant outside Belfast with the prospect of about 50 jobs.

Texon has acquired the plant and the goodwill of the industrial silencing division of TI Chesterfield, a subsidiary of Tube Investments.

With help from the Northern Ireland Department of Commerce, the company has leased a 50,000 square feet factory near Derry, into which the manufacturing plant from Chesterfield will be moved.

Radiators TI Chesterfield is one of the leaders in the field of acoustic engineering, and its products include a full range of engine silencers. Texon will also manufacture radiators for cars, trucks and heavy industrial engines.

The company said yesterday that a large part of its production would be exported.

It would also be capable of producing radiators suitable for the sports cars which are to be built at a new plant at Derry by Mr. John DeLorean, a former General Motors executive. It hoped to be in a position to bid for a contract.

THOMAS COOK, the Midland Bank travel agency subsidiary, is to announce new incentives next week for travellers using their services.

The company has 150 prize High Street offices. It is to announce next Thursday what the incentives will be, when its brochures for the coming year are published.

Although incentives to potential clients have been offered in the past, travel trade organisers believe that Cook's offer may start a series of sales promotion schemes by other agencies.

A promotion company employed by Cook has suggested giving customers a bag of holiday items worth up to £30.

Clean air film given premiere A FILM publicising the work of the Alkali and Clean Air Inspectorate has been given its first showing in Manchester by the Health and Safety Executive.

The 22-minute film, The Sky is a Canvas, was shot on location in Greater Manchester, Merseyside and the borders of Derbyshire and Yorkshire. It uses L. S. Lowry's paintings in the Alkali and Clean Air Inspectorate's collection to emphasise the effects of air pollution.

Welsh unemployment is the worst for 40 years with the numbers out of work in August totalling 101,000—a 10 per cent of the working population.

Specific proposals in the draft TUC strategy include targeting of high growth industries for special aid, with a view to their employment and future market potential; greater emphasis on securing planning agreements with specific regional investment commitments; greater regional edge to be built into Government selective assistance; and a wider differential between official aid to development area and special development areas.

It warns that Wales needs to create and consolidate at least 80,000 jobs in the short-term, and in the longer term, find an additional 180,000-200,000 jobs or 12,500 jobs a year between now and 1991, if full employment is to be achieved.

Welsh unemployment is the worst for 40 years with the numbers out of work in August totalling 101,000—a 10 per cent of the working population.

Specific proposals in the draft TUC strategy include targeting of high growth industries for special aid, with a view to their employment and future market potential; greater emphasis on securing planning agreements with specific regional investment commitments; greater regional edge to be built into Government selective assistance; and a wider differential between official aid to development area and special development areas.

It warns that Wales needs to create and consolidate at least 80,000 jobs in the short-term, and in the longer term, find an additional 180,000-200,000 jobs or 12,500 jobs a year between now and 1991, if full employment is to be achieved.

Welsh unemployment is the worst for 40 years with the numbers out of work in August totalling 101,000—a 10 per cent of the working population.

Specific proposals in the draft TUC strategy include targeting of high growth industries for special aid, with a view to their employment and future market potential; greater emphasis on securing planning agreements with specific regional investment commitments; greater regional edge to be built into Government selective assistance; and a wider differential between official aid to development area and special development areas.

It warns that Wales needs to create and consolidate at least 80,000 jobs in the short-term, and in the longer term, find an additional 180,000-200,000 jobs or 12,500 jobs a year between now and 1991, if full employment is to be achieved.

Welsh unemployment is the worst for 40 years with the numbers out of work in August totalling 101,000—a 10 per cent of the working population.

Specific proposals in the draft TUC strategy include targeting of high growth industries for special aid, with a view to their employment and future market potential; greater emphasis on securing planning agreements with specific regional investment commitments; greater regional edge to be built into Government selective assistance; and a wider differential between official aid to development area and special development areas.

It warns that Wales needs to create and consolidate at least 80,000 jobs in the short-term, and in the longer term, find an additional 180,000-200,000 jobs or 12,500 jobs a year between now and 1991, if full employment is to be achieved.

Welsh unemployment is the worst for 40 years with the numbers out of work in August totalling 101,000—a 10 per cent of the working population.

Specific proposals in the draft TUC strategy include targeting of high growth industries for special aid, with a view to their employment and future market potential; greater emphasis on securing planning agreements with specific regional investment commitments; greater regional edge to be built into Government selective assistance; and a wider differential between official aid to development area and special development areas.

It warns that Wales needs to create and consolidate at least 80,000 jobs in the short-term, and in the longer term, find an additional 180,000-200,000 jobs or 12,500 jobs a year between now and 1991, if full employment is to be achieved.

Welsh unemployment is the worst for 40 years with the numbers out of work in August totalling 101,000—a 10 per cent of the working population.

Specific proposals in the draft TUC strategy include targeting of high growth industries for special aid, with a view to their employment and future market potential; greater emphasis on securing planning agreements with specific regional investment commitments; greater regional edge to be built into Government selective assistance; and a wider differential between official aid to development area and special development areas.

It warns that Wales needs to create and consolidate at least 80,000 jobs in the short-term, and in the longer term, find an additional 180,000-200,000 jobs or 12,500 jobs a year between now and 1991, if full employment is to be achieved.

Welsh unemployment is the worst for 40 years with the numbers out of work in August totalling 101,000—a 10 per cent of the working population.

Specific proposals in the draft TUC strategy include targeting of high growth industries for special aid, with a view to their employment and future market potential; greater emphasis on securing planning agreements with specific regional investment commitments; greater regional edge to be built into Government selective assistance; and a wider differential between official aid to development area and special development areas.

LABOUR NEWS

Ninian workers decide to continue strike

BY NICK GARNETT, LABOUR STAFF

A MASS meeting of 900 workers from the central production platform in the North Sea's Ninian field decided yesterday to continue a week-long strike which has halted construction work.

Unless the dispute is resolved relatively quickly, production from the Heather field, which is due to start very soon and is dependent on the Ninian platform, could be delayed.

The men, 500 of whom were down off the platform last week and when the strike began, are engaged on completion work on the installation.

Shop stewards said after yesterday's meeting that the strike would continue pending a meeting in London of national and local officials of all the unions involved. A further mass meeting is expected to be called on Wednesday.

The men are employed by CJB Offshore and Balfour Kilpatrick. The stewards say the dispute is over changes the unions are seeking in working practices in an attempt to make them clearer and less open to misinterpretation.

Chevron, the operator for the Ninian field, says the dispute is over payments for periods when the men were on strike during earlier construction work on the platform.

Production from the Heather field is dependent on construction work still to be completed, on a pipeline the two fields share.

Post Office peace plan for engineers

BY OUR LABOUR STAFF

SENIOR OFFICIALS of the Post Office Engineering Union said yesterday that the outcome of branch meetings throughout the country appeared to show that proposals for settling the dispute over a shorter working week will be accepted by a special conference of union delegates today.

If the proposals, based on a 32-hour-out in the engineers' present 40-hour week, are rejected by the union and the Post Office could find themselves in a very awkward position.

The union's executive would then decide if it should step up industrial action and seek further further meetings with the Post Office.

Last month, the union lifted some of its most severe sanctions, imposed during the dispute, following a provisional agreement on the proposals which are based on the report of Lord McCarthy.

It is still refusing to commission new exchanges, however. Since the provisional acceptance, members of the executive have been explaining the proposals to about 40 mass meetings throughout the UK.

There have also been negotiations with management on the way the scheme would be applied to some of the smaller groups, including those working in supply, transport and on cable ships.

The proposals involve offsetting the cost of reducing hours by changing working practices. These include staggered starting and finishing and an eight- and nine-day fortnight for some engineers.

There is also a clawback provision which would offset any cost to the Post Office, above the no-cost target, against payments made under an existing productivity scheme.

The union said yesterday that most opposition to the scheme had resulted from the lack of a firm commitment from the Post Office on a 35-hour week, which was the original claim.

There also appear to be more engineers who would prefer to work a reduced number of days than would be allowed under the proposals.

Welsh jobs warning

BY ROBIN REEVES, WELSH CORRESPONDENT

THE WALES TUC yesterday stepped up pressure for greater economic planning by publishing an outline industrial strategy for the Principality.

It complained that the only Government attempt to provide any form of economic plan for Wales was the Welsh Office's "Wales: the way ahead," published over ten years ago.

The Wales TUC is now calling for a Welsh economic development council to provide a forum for industrial and economic planning.

It says something of a planning vacuum exists at central Government and Welsh Office level. But what is lacking is not so much an updated plan, but a planning process. This should be recognised as a major obstacle to the regeneration of commercial and industrial sectors.

It warns that Wales needs to create and consolidate at least 80,000 jobs in the short-term, and in the longer term, find an additional 180,000-200,000 jobs or 12,500 jobs a year between now and 1991, if full employment is to be achieved.

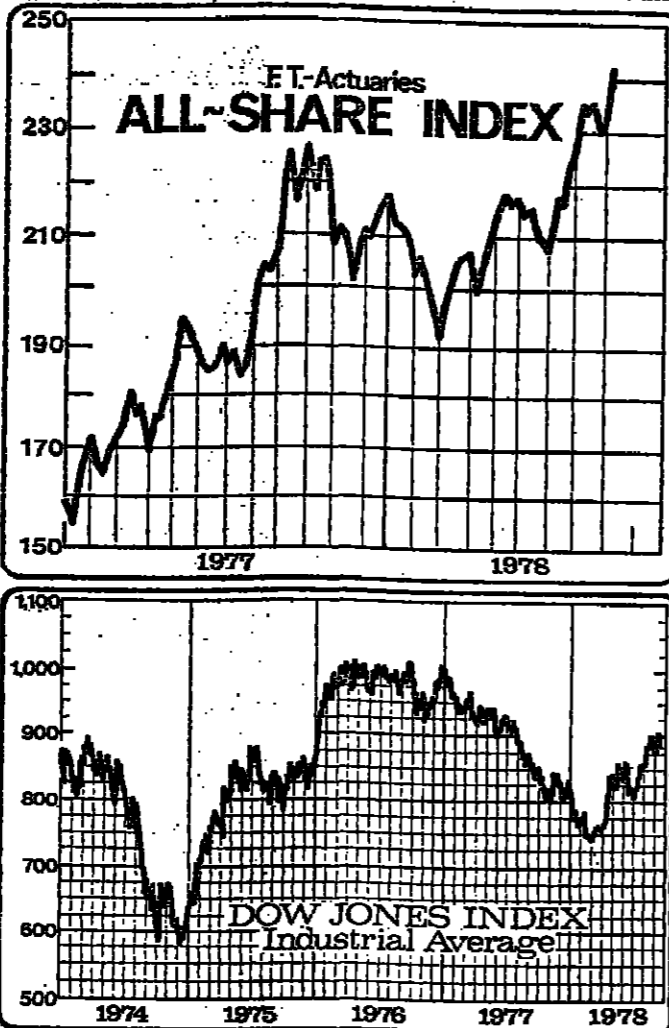
Welsh unemployment is the worst for 40 years with the numbers out of work in August totalling 101,000—a 10 per cent of the working population.

THE WEEK IN THE MARKETS

Seamless
submit
claimWhere
will it
all end?

A FALL in the stock market of Thursday's magnitude raises some serious questions about the durability of the spring and summer rally whose trading breadth has brought out the fatigues on Wall Street and banished, for the moment, talk of defensive marriages between financially ailing brokerage houses. The Dow Jones Industrial Average has not fallen by more than 12.56 points since the first trading day of the year, January 3, when it was beating a path down to the cyclical low in February of 73. This week's belly flop occurred, moreover, just four trading sessions after the Dow put on more than 14 points last Friday to sail clearly and cleanly past the magical 900 barrier.

The puzzle which is preoccupying analysts at the moment is whether we are seeing some defensive profit taking which does little damage to the broad strength exhibited by all stock exchanges in the past five months, or is the investment



Equities poised to breach 550 and some activity in the gilt market

With the buyers back in force again in a market still very short of stock, the Financial Times Industrial Ordinary Index quickly hit a new peak for 1978 on Monday. Thereafter equities breezed along anticipating encouraging August Trade and Money supply figures. And despite some initial worries over the next round of wage claims following the CBI report on Tuesday of claims in the region of 20-25 per cent, equities had chalked up a gain of 18½ points by Thursday. Even gilts stirred from their extended slumber with both stocks operative on Thursday—the first time since the middle of August. But by the end of the week equities were suffering from a bout of profit-taking while there was no follow-through in gilts.

Option fever

The Stock Exchange's Traded Options market took off this week, breaking volume records three days in succession. For

the first time the weekly average of contracts per day exceeded 1,000. Previously the 1,000 level had only been breached on three trading days in four months of operation.

The rising stock market has obviously been the main short-term spur, helped by the end of the holiday season. But more fundamentally, it seems that the traded options market is gradually gaining acceptance. The Stock Exchange made a profit on it for the first time this August and has been doing even better this month.

But the level of institutional activity is still disappointing and the tax disincentives to personal investors remain considerable. The main buyers of options have tended to be serious private investors who have got round the tax problem either by being overseas residents or by having dealing companies. The biggest writers are probably still the jobbers. So the market has got a long way to go despite last week's boost to morale.

Dealers are now looking for

talks were off, both announced mid-term results on Thursday. The figures make interesting reading, with Northern Engineering Industries reporting a 34 per cent pre-tax advance while Babcock and Wilcox profits were only 6 per cent.

Tension is mounting as Tuesday's meeting of minority shareholders in Pearson Longman draws nearer. For the meeting will decide whether S. Pearson, the parent company controlling 83.8 per cent of Pearson Longman, will succeed in its attempt to buy out minority shareholders.

Last July S. Pearson announced terms offering one of its shares plus 30p in cash—or the equivalent in loan stock

Courtauld's bid of four of its shares for every seven Compton shares is worth around £11.9m and compares with a cash and shares bid (worth £10m) already on the table from Carrington Vyella.

The offer from Courtauld's has the backing of Compton directors who have already seen off an approach from another textile group Vantona.

But for the Vantona approach—made after the group acquired a 9 per cent stake in Compton—it seems unlikely that Courtauld's would have considered a bid at this stage, although it says that Compton has long been thought of as a potential takeover candidate.

All the majors involved in the recent bid moves appear to have been particularly excited by Compton's export potential, which would benefit from the extra financial muscle a larger group could provide. In the current year Compton—which achieved sales of £18.5m last year—expects to export uniforms worth £5m.

Courtauld's view of the situation appears to have been that while it was quite happy for Compton to remain independent it was not prepared to see the company absorbed by a major rival. It now has to be seen whether Carrington will come up with a higher bid.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM AUG. 17

	% Change
Electricals	+9.6
Office Equipment	+9.3
Engineering Contractors	+8.1
Wines and Spirits	+7.3
Packaging and Paper	+7.0
Newspapers, Publishing	+6.1
All-Share Index	+3.7

THE WORST PERFORMERS

	% Change
Discount Houses	+0.9
Insurance (Composite)	+0.2
Investment Trusts	-0.6
Insurance Brokers	-0.7
Insurance (Life)	-1.5
Hire Purchase	-2.0

NEW YORK

JOHN WYLES.

Optimism which has created this strength now on the wane. The jury is still out and the runes are difficult to read. On the one hand technical interpretations of the market point to a surprisingly good muscle tone.

Analysts of this school lean heavily on market cycles. Mr. Robert Ritter, of Rothschild Unterberg Towbin, has focused on price earnings ratios for the industrial averages and draws attention to the fact that the multiple reached a 15-year low at the end of 1974, a recovery high of around 13 times earnings in March, 1976, and a test low of 8.5 times earnings last March. He sees a rise from the current level of around 10 times earnings to around 11.5 a year and a possible approach to the last recovery high of 13 times earnings some time next year. Mr. Ritter is cheered by the relative absence of volatility in the market and the emergence of a number of stock groups, such as air transport, cosmetics, drugs and semi-conductors, after long periods in the bargain basement.

However, this optimistic view needs to be balanced by a reminder of some factors which have produced the market's apparent strength. In July, it will be recalled, the market became infected by a view that short term interest rates were at or near their peak. Subsequent increases in interest rates showed this to be ill founded but they have not taken much heart out of the market, partly because they were seen as a necessary prop for the sickly dollar and partly as a means of curbing inflation.

But this does not mean to say that the market will continue to take a benign view of rising interest rates although its inclination may still lean in that direction.

The Federal Reserve Board's tightening of the credit screw last Friday through an increase in its target for the Federal Funds Rate (the charge on inter-bank loans) was taken pretty

	Close	Change
Monday	907.74	unchanged
Tuesday	904.44	-1.30
Wednesday	899.60	-4.84
Thursday	887.04	-12.56

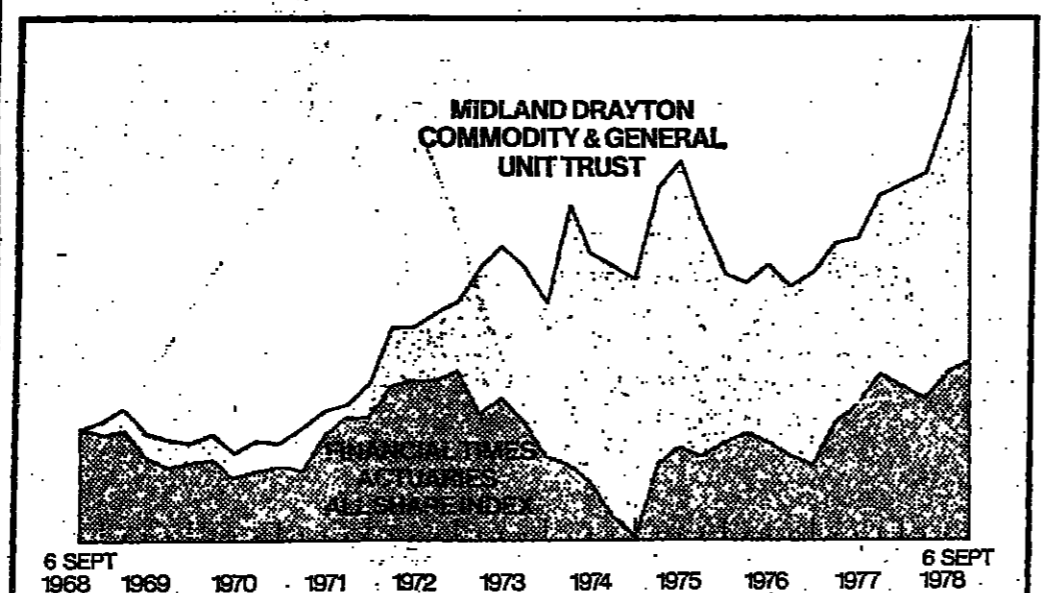
neatly in the market's stride this week until at least three factors conspired on Thursday to trigger a wave of selling.

One was the conspicuous and renewed weakness of the dollar, the other was anxiety about the possible outcome of the Camp David summit and the third was economists' predictions that yesterday's money supply figures would be bad, and had they were with M1 rising \$4.7bn and M2 the broader measure by \$5.9bn. Where, it is being asked, will it all end, and in particular what level of interest rates is required to start reining the money supply inside the Federal Reserve Board's targets? Fed watchers believe that the central bank is equally perturbed about money supply and inflation and more prepared than it was in the summer to risk slowing the economy in the interests of curbing inflation.

It seems questionable that a combination of high interest rates and high inflation can provide a very solid base for a continued stock market advance. Many institutions appear to share this view for the latest surveys suggest that while they have not been adding to their cash reserves in recent months, neither have they been significantly reducing cash reserves in order to buy equities. In other words, institutional buying has been funded by their massive cash flows and the tap can, therefore, be turned off very easily.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1978 High	1978 Low	
Ind. Ord. Index	530.4	+13.4	535.5	433.4	Economic news inspires demand
Gold Mines Index	188.8	+13.7	206.6	130.3	Firmer bullion price
Bell (A.)	244	-18	296	196	Directors' cautious statement
Burmah Oil	79	-7	89	42	Interim statement disappoints
Carpets Intl.	69	+8	69	39½	Forecast of improved results
Compton Sons & Webb	64	+7	68	25	Counter-bid from Courtauld's
Croda Intl.	65	+6½	68	43½	Excellent int. figs./scrip issue
De Beers Defd.	487	+50	488	285	Press comment/heavy U.S. buying
Hambros	198	+11	217	155	Reksten loan guarantee extended
Mrs. Charn	212	+19	212	100	Increased interim profits
Leasie	72	+11	75	35	Increased final dividend
M. L. Hides	225	+30	235	88	Hopes of U.S. defence contract
Magnet Metals	42	+11	45	13	Rumours of diamond find
Northern Eng.	136	+13	137	84	Higher interim earnings
P. & O. Defd.	96	+7	118	83½	Recovery hopes
SCB	186	+15	186	135	Investment recommendation
Stewart Plastics	143	-21	169	108	Second-half profits setback
Trust Houses Forte	243	+14	244	166	Increased hotel tariffs
Western Queen	34	+14	36	4	Rumours of diamond find
Willis Faber	255	-25	303	247	Disappointing half-yearly profits



IF YOU CAN'T BEAT US—JOIN US.

Just how well have your savings and investments done in the past ten years? Have you stayed ahead of inflation, have you even matched the F.T. Actuaries All-Share Index?

If you haven't then perhaps you should take a close look at Midland Drayton Commodity & General Unit Trust.

A decade of success
This trust was launched exactly ten years ago, in September 1968, to provide a way for the ordinary investor to buy into commodity shares with the prospect for capital growth.

Unit holders who invested then, and have held on to their units, have more than trebled their money. At 14th September 1978 the offer price of units had risen by 227%, compared with a rise of only 43% in the F.T. Actuaries All-Share Index and an increase of 202% in the Retail Price Index over the same period.

The trust also aims to produce an average level of income and since the launch there has been a significant increase in income distributions.

The fund is invested in over 60 companies which produce, process or trade in essential commodities, and benefits from the professional skills of Drayton Montagu Portfolio Management.

At the offer price of 81.8p on 14th September, the estimated gross yield was 4.67% p.a.

Growth prospects
With the growing demand for raw materials from developing and advanced countries alike, commodity shares offer considerable scope for long-term capital gains, and the good performance demonstrated above supports this.

We believe that prospects for growth still exist, but the risks are higher than with some other investments and these units must be regarded as a long-term investment.

The price of units and the income from them can go down as well as up.

To buy units simply fill in the coupon and return it to us, or hand it in at any branch of Midland Bank, Clydesdale Bank or Northern Bank.

Midland Drayton Commodity & General Unit Trust
A MIDLAND BANK GROUP UNIT TRUST

Application Form

To: Midland Bank Group Unit Trust Managers Limited, Courtwood House, Silver Street Head, Sheffield, S1 2RD.
Tel. 0743-78642
Res. Office 27132 Poultry, London EC2P 2BX.
Reg. No. 93387, England.

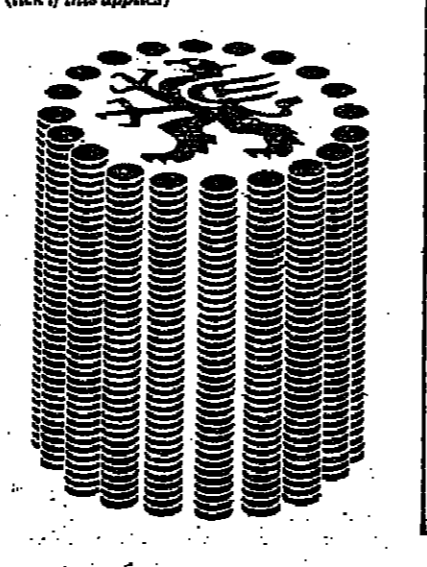
I/We enclose a cheque payable to the fund (minimum £200) for investment in Distribution Units (or Accumulation Units) (tick which) of Midland Drayton Commodity & General Unit Trust at the price ruling on the day you receive this order.

(For your guidance, the offer prices on Thursday, 14th September 1978 were: Distribution Units 81.8p, Accumulation Units 94.3p.)

Surname (Mr., Mrs., Miss) _____
For names in full _____
Address _____
Postcode _____ Date _____

I/We declare that I/we are not resident outside the scheduled territories and that I/we are not acquiring the units as the nominee(s) of any person(s) resident outside these territories. (If you are unable to make this declaration it should be signed on the application form by a bank, stockbroker or solicitor in the United Kingdom.)

Signature _____
(In the case of joint applications, all must sign)
Please send me details of your Share Exchange Scheme (Savings Plan) (tick if this applies)



The new Schlesinger Monthly Income Portfolio is specially designed for investors who require a high and reliable income on a regular monthly basis, with these unique and convenient advantages:-

- * Regular income - your income will be paid on the 1st of every month.
- * Convenient payments - income is paid direct into your bank account.
- * A high return - the portfolio is based on three successful and high yielding Schlesinger trusts.

High income

The Monthly Income Portfolio is invested equally in three established, high yielding Schlesinger trusts: the Preference and Gilt Trust with 8½% invested in preference shares and 13½% in Gilts, currently yielding 12.1%; the Extra Income Trust, wholly invested in equities, yielding 8.9%; and the Income Trust with a balanced portfolio of preference shares, high yielding equities, and investment trust income shares, yields 9.9%. Equal investment in each through the Monthly Income Portfolio offers 10½% per annum. Based on these yields, £2,000 is expected to produce gross annual income of £200 or net monthly payments ranging between £13 and £9, after basic rate tax. An investment of £5,000 will provide gross annual income of £500 or net monthly payments of between £33 and £24.

A well diversified portfolio

Through these three trusts you will be investing in over 300 securities, providing not only a substantial spread of risk but also a useful spread of investment—currently: Gilts 4½%, high yielding Equities 46%, Preference shares 34%, income

Regular
monthly income
helps you plan
your expenditure.



shares of Dual Capital Investment Trusts 15½% cash 1½%. You should regard your investment as long-term.

The potential for growth of capital and income

Current high yields may not last indefinitely; if they fall, existing investors in the Monthly Income Portfolio should obtain worthwhile capital growth whilst preserving this high level of income. The equity holdings should provide increasing income in the future.

Remember that the price of your units and the income from them may go down as well as up.

Benefits for the larger investor

Minimum investment is £2,000, but investors of £5,000 and over will receive:-

- * At least £24 monthly income net of basic rate tax, based on the current estimated gross yields of the three trusts.
- * The Schlesinger PIMS service. The unique Schlesinger Personal Investment Management Service includes monthly investment reports and trust valuations, invitations to meet the investment managers and investment/financial planning advice if required.

Schlesingers manage over £100 million of private, institutional, and pension funds.

General Information
To invest, use the coupon provided and units will be allocated at the price ruling on receipt of your cheque. Contracts will be sent by return and certificates issued within 6 weeks. The gross yield above is based on the current offer price of 11½p for the Extra Income Trust, 8.9p for the Preference & Gilt Trust and 9.9p for the Income Trust. Your first income payment will be between 5 and 6 weeks after your investment. At the moment these including by Wednesday, September 20 will receive their first payment on November 1, otherwise on December 1. The Unit Prices and yields are published daily in leading newspapers. To sell units, simply return your certificates appropriately marked on the back—payment is normally made within 7 days of our receiving the required certificate. Charges: An initial charge of 1% is included in the purchase price of the three trusts. A charge at an annual rate of 2% (plus VAT) of the value of the funds is deducted from gross income towards administrative expenses. Commission of 1½% will be paid to recognised agents. Trustees: Midland Bank Trust Co. Ltd., Auditors: Peat, Marwick, Mitchell & Co. Managers: Schlesinger Trust Managers Ltd., 11 Haver Square, London W1V 6JL. Registered in England. No. 035855. Members of the Unit Trust Association. This offer is not available to residents of the Republic of Ireland.

To: Schlesinger Trust Managers Ltd., 140 South Street, Dorking, Surrey.
Weekend and Evening Answerphone Tel. Dorking (0306) 86441

I wish to invest (minimum £2,000) £ _____

in the Schlesinger Monthly Income Portfolio at the price ruling, spread equally between the three trusts (or receipt of my cheque.

*Preference and Gilt Trust, Extra Income Trust, Income Trust.

I would like further information, including details of Share Exchange.

A cheque is enclosed in remittance, made payable to Midland Bank Ltd.

Signature _____
(In the case of a joint application all must sign.)
First names _____
Address _____
Postcode _____
Date _____

Schlesinger
Monthly Income Portfolio

FINANCE AND THE FAMILY

Stamp duty and leasehold flat

BY OUR LEGAL STAFF

Referring to your item headed Stamp duty and leasehold flat (July 22), I bought in 1974 a 99-year lease on a flat for £17,750, the ground rent for the first 10 years being £100, for the next 10, £200, and for the rest of the lease £300. This was franked by the Inland Revenue in 1976 and I paid £55.75 in stamp duty. A little later, I heard from my solicitors that owing to the fact that the average rent exceeded £150 a year the stamp duty should have been £355, and apologising for their error. Is this correct? As it was their mistake, are they not liable to make up the difference? If I decide to dispose of the property, can I alter the price to avoid the 2 per cent stamp duty, assuming it is payable? As the amount of stamp duty which was in fact payable was the higher amount (£355) which you ultimately paid it would not have been appropriate for you to refuse to pay the balance when asked for it in 1976, nor can you ask the solicitor to reimburse you unless the amount of the ground

rent under the lease was negotiable with the landlord and you were advised by your solicitor to agree a higher ground rent than you need have done. As it is unlikely that you would not have sought the best terms possible from your landlord in any event we doubt if such a claim would lie. On resale the stamp duty must still be payable at 2 per cent on the premium; that will of course be payable by the purchaser.

Qualifying for premiums

I have had several periods when I lived abroad, but since 1973 have been living in the UK. Between 1967 and 1971, one of the periods when abroad, I acquired some £15,000 of U.S. securities. Can I expect at a later stage to claim the investment premium on these? Since April 1976, the authorities have withdrawn the facilities for foreign currency securities owned by immigrants, residents returning from employment abroad and residents with exemption to

quality for the premium. However, since your investments seem from your letter to have been made before that date, it would be worth your while to ask your bank to apply to the Bank of England for a ruling.

Co-owners of a house

In 1959 a man and I signed a 999 year lease for the purchase of a newly built house. Out of the total initial cost of £3,030, £2,675 was provided by me. Four years later, he left, having paid very little of the expense of maintenance meantime and nothing since. In 1969 I bought the freehold under the terms of the Leasehold Reform Act in my own name. The man now contends he is a co-owner under the terms of the lease and that he is also co-owner of the freehold. Has he any right to the freehold, or any interest therein?

There is a rule that requires a trustee who obtains a benefit by virtue of his position as trustee to account for it. If therefore you acquired the freehold by using your position as

being entitled under the Leasehold Reform Act 1967 you would be obliged to hold the freehold as trustee in the same way as you hold or held the leasehold. It is arguable that the co-lessee has no interest in either leasehold or freehold; but if he did in fact contribute some £350 to the purchase of the leasehold then he would have an equivalent interest (one-ninth approximately) in the freehold, subject to his contributing that proportion of the purchase price paid for the freehold.

Tailor made documents

My wife and I each wish to transfer £2,000 of our house to our son each year, so as to avoid capital transfer tax. Can you please refer me to a precedent and let me have the address of the adjudicator of stamps? As each transaction is best conducted by documents which are "tailor-made" we cannot suggest a precedent. A deed may be presented for adjudication at the office of the Comptroller of Stamps at Bush House, London WC2 or at certain main post offices.

Interest on legacy

Referring to your item Interest on legacy (August 15), your suggestion that such interest should be at the rate of 4 per cent has caused surprise at the bank from which I write. We cannot find this in the reference books. Could you give us further details on the authority on which you rely for the figure of 4 rather than 5 per cent?

Reference books such as Williams and Mortimer on Executors Administrators and Probate give 4 per cent as the interest payable. However the current edition was published before the amendment to Order 44 Rule 19 of the Rules of the Supreme Court. Nevertheless the Rule itself is expressed to apply only where the Court directs an account. Thus, while it is unlikely that the Court would disapprove an executor's payment of 5 per cent, there seems to be no direct authority for payment at that rate where no proceedings have been commenced.

Warning lights flash

THERE IS no place for small stocks will continue to increase. It can only be made on the basis that the investor can afford to lose all, if his timing is wrong. This is not to say that tomorrow the stocks will necessarily be worth nothing. Indeed some stocks may have a considerable way to climb before the market goes over the top.

But the way the market behaves depends to a large extent on the view taken by the professional share dealers, whose activities are thought by brokers to be the dominant force in recent movements.

They will doubtless wish to take their profits when the boom is taken over by the wider public. One likely scenario is that they will withdraw as soon as the public is stimulated by a discovery by any company outside the Ashton venture.

MINING

PAUL CHEESERIGHT

enthusiasm has been for diamonds and this has been never clearer than in Sydney yesterday.

In one trading session 11m shares in Western Queen, 800,000 shares in Magnet Metals and 250,000 shares in Lennard Oil changed hands. The reason was a rumour, partly confirmed, that one large gam had been found at their prospect on the Lennard River in Western Australia.

The boom in diamond stocks has spread out from companies associated with Conzinc-Rhodia of Australia in the Ashton venture, which has found diamonds but not necessarily in commercial quantities, to companies which have claims nearby and further still to companies who are just searching for diamonds anywhere.

Most of the exploration ventures will come to nothing. The chances of success in any minerals exploration venture are traditionally low and are lower still for diamonds. The point is that the chances of long term returns on a small diamond exploration stock is tiny, whereas an investment in C.R.A. by contrast, is a stake in a major mining house with diverse sources of revenue.

Thus a personal commitment to the Australian diamond boom can only be made on the hope that the share values of the

Aboriginal leaders in the Northern Territory have given their approval to the mining of uranium at the Ranger deposit by Anglo-Walsh and Co. Industries, opening the way towards the development of a major nuclear fuel industry.

In Saskatchewan, Esso Minerals has been sufficiently encouraged by the uranium values at the Midwest Lake deposit to announce development of a \$200m mine before 1984. The co-venturers in this appears to be a potentially rich project are Nuncaville Oil and Gas and Bow Valley Industries.

Amax, the U.S. group under scrutiny as a takeover target by Standard Oil (California) has raised \$100m from the Royal Bank of Canada to re-open and expand the Kibbaw molybdenum mine in British Columbia.

Impala Platinum, the South African producer controlled by Union Corporation, expects to least maintain dividend payments during the current year in June. In 1977-78 total payments were 80 cents (47.8p).

TIN OUTPUTS COMPARED

	Aug. 1978	July, 1978	Total to date (months)	Same period previous year tonnage
	tonnes	tonnes	tonnes	
Anal. of Nigeria (tin)	1	153	572 (4)	789
Anal. of Nigeria (columbite)	1	26	118 (4)	63
Aokam	97	110	207 (2)	283
Ayer Hitam	170	157	327 (2)	233
Berjuntal	412	419	1,552 (4)	1,638
Bisicht Jantar (tin)	1	1	189 (6)	202
Bisicht Jantar (columbite)	1	1	194 (6)	188
CRM Sri Trimah	1	107	856 (7)	782
Ex Lands Nigeria	23	34	211 (8)	208
Geevor	54	85	440 (5)	431
Gold and Base (tin)	1	21	172 (7)	184
Gold and Base (columbite)	1	NIL	2 (7)	1
Gopeng	157	146	1,551 (11)	1,671
Idris	18	194	140 (8)	21
Kamunting	29	32	167 (8)	201
Kent (FMS)	1	1	102 (11)	45
Killinghall	87	22	495 (11)	48
Kinta Kelas	1	1	504 (12)	62
Kuala Kampar	36	17	185 (5)	17
Lower Perak	27	24	104 (4)	10
Malayan	308	272	580 (2)	471
Pahang	1	1	1,462 (11)	1,482
Pengkalan	1	1	97 (11)	18
Petaling	121	156	1,213 (10)	1,081
Rahman	60	89	165 (2)	11
St. Piran—Far East	24	35	122 (5)	9
St. Piran—UK (South Crofty)	88	160	849 (5)	85
St. Piran—Thailand	122	165	499 (5)	42
Southern Kinta	123	148	651 (5)	72
Southern Malayan	132	178	270 (2)	34
Sungei Besi	203	183	852 (5)	79
Tanjong	164	254	133 (7)	16
Tongkah Harbour	40	47	87 (2)	8
Tronoh	187	214	1,621 (8)	1,45

Figures include low-grade material. Not yet available. 0 puts are shown in metric tonnes of tin concentrates.

Neighbourly car sharing

days are usually set out in the motor insurance certificates that we all have to have, rather than the basic policies to which those certificates relate.

Car sharing has become more and more a feature of our daily lives, and arguably governmental and insurance recognition of this fact had become overdue. So many motorists, for the best of reasons, were breaking the law, and in theory at least running the risk of prosecution and punishment for licensing and insurance offences, that it was time that the law was expressly changed to take account of what might be called the common practice of good neighbourly car sharing on a regular basis.

In the summer British motor insurers told the government that they would give an undertaking to interpret their hiring

exclusions and limitations so as to permit car sharing for payment, but not for profit.

This undertaking was given publicly in the national Press at the start of the month, but to ensure that policyholders are fully aware of their new legal

INSURANCE

JOHN PHILIP

insurance rights, all motor insurers will be issuing each of us notices, endorsements, or some other form of suitable documentation, as renewals come round during the course of 1979, but because of the time it takes for individual insurers to organise changes of this kind, no one with a motor policy re-

newable in the closing months of this year can expect to receive such notice this year.

However anyone buying a new motor insurance policy this side of the new year may perhaps find a clause on car sharing, perhaps stuck on by endorsement, or actually incorporated in policy wording; here so much depends on the size of existing stocks of policies with the "old" wordings and on the rapidity with which particular insurers can get printing done to cope with changes of this kind.

As private motorists we can now take money from our passengers to cover not only the cost of petrol but other running costs—including, for example, the need to replace tyres and battery and the need to have insurance; but we must not make a business of using our cars to carry passengers, nor must we pitch our requests

for financial contribution so that we make a profit out of our good neighbourliness. The provisions in the undertaking are important, and the motorist who ignores either of those provisions runs the risk not only of prosecution for using his car without insurance but having insurers refuse him protection in time of trouble.

The new Act, and, therefore, insurers' undertakings, apply only to England and Wales and Scotland; they do not apply in Northern Ireland, the Isle of Man or the various Channel Islands.

What government and insurers are anxious to avoid is giving the green light to a number of fringe taxi and hire operators to cut their licensing and insuring costs; yet inevitably it seems that some will slip through the meshes in the net that the new Act has created, at least in the early stages, while we all get used to the new law.

WE'RE PROVIDENCE CAPITOL.

HERE'S WHAT WE ARE DOING ABOUT TWO OF THE MOST FRIGHTENING WORDS IN THE ENGLISH LANGUAGE.

1. INFLATION.
2. TAXATION.

To fight inflation, savers and investors want the best investment management.

To fight taxation they want tax-free investment gains and preferably tax relief on their investment to boost it from the outset.

To secure these ideals to the maximum possible and to combine them in the most effective ways, you need considerable experience and ability—and the full approval of the Inland Revenue.

For private individuals alone, this is not possible.

It is, however, what Providence Capital already provides to thousands of people, with that added degree of security and responsibility that an established life office accords.

In practice, the results can be dramatic. Here are some examples.

FOR THOSE WITH CAPITAL

Many people invest capital in order to generate regular income. Providence Capital can produce such income with no immediate tax liability, and build the value of your capital.

Other investors want maximum capital growth. So, Providence Capital gives you investment management acknowledged to be of the highest quality and tax advantages normally out of the reach of individuals. And you can cash-in all or part of your investment with no penalty.

FOR THOSE WITHOUT CAPITAL

If you have no capital, we can create it, tax-efficiently from regular saving. In the process you can gain tax relief on contributions which can mean that we actually invest more on your behalf than you effectively contribute.

FOR THE SELF-EMPLOYED

If you are self-employed, we have the means to cut your personal tax bill very substantially and guarantee a large tax-free cash sum and a high income, taxed only as earned not unearned income, for when you retire.

FOR DIRECTORS AND KEY EXECUTIVES

If you are a company director, we can do the same; but your company can pay all the cost on your behalf. This plan can also be used at your choice as a major incentive and tax-effective form of remuneration for your key employees.

THE STRENGTH OF PROVIDENCE CAPITOL

Providence Capital is an established life office with total assets of well over £70,000,000. It is part of the international Gulf + Western Group, whose gross assets exceed £2,000,000,000. And its stated purpose is to provide the most tax-effective answers possible to the savings and investment needs of private individuals today.

We can only show what we could do for you when you get in touch.

The point is, it could be worth your while to find out more. Simply complete and send the coupon. No stamp is needed. We pay postage.

To Peter Oliver, Managing Director, Providence Capital Life Assurance Company Limited, FREEPOST, London W12 8BR.

I am a company employee/self-employed/a company director/partner (delete as appropriate). I am interested particularly in:

- ☐ creating tax-free income from capital
☐ building my capital ☐ creating tax-free capital
☐ creating tax-free capital and income for when I retire
Please send me details without obligation.

Name Mr/Mrs/Miss _____
Company _____
Address _____

PROVIDENCE
CAPITOL

a Gulf + Western Company

FT1

YOUR SAVINGS AND INVESTMENTS

Weighing pride in performance

TALK TO any unit trust fund manager about the significance of performance figures, and you'll come across a curiously ambivalent attitude. One and all, in theory they deprecate the figures, arguing that short-term performance, in particular, should never be used as a guide to excellence. One and all, in practice they crow when their own funds make the upper echelons of the unit trust performance tables. So what is the innocent uninitiated to make of them?

I don't, myself, think that there's any point in pretending that performance—and relative performance—is not important. Performance is exactly what unitholders are looking for. Whether it's indicated by growth in capital or by improvements in income. And the best way for the uninitiated to determine whether his own fund managers

INVESTMENT

ADRIENNE GLEESON

are making a mess of matters is to take a look at how their competitors have been doing. That said, I think that the performance tables should be taken with a certain amount of caution and a healthy pinch of salt. In particular, those which show performance over a period of months should not be used as

anything but the most general of guides, for the figures can be distorted by all sorts of factors. What the short-term figures will show you is which markets have been doing well: the Far East so far this year, for example. But it wouldn't be worth your while to switch from one

Far East fund to another on the strength of its position on the ladder.

Longer term there is more sense to be had from the performance tables. They will, for instance, tell you what funds tend to be consistently good performers (that's easy—income funds and, to a lesser extent, the commodity share funds). They'll also give you a good idea of which groups run consistently good portfolios. You won't necessarily make your fortune out of that information—after all, good longer-term performers tend to miss the heights, as well as the depths, in between. But at least you shouldn't lose your money, either.

Those of you who would like to keep an eye on the relative performance of unit trusts will find that the figures are correlated on a regular basis by two magazines: *Planned Savings* (Wootton Publications, 150/152 Caledonian Road, London, N1 9RD), and *Money Management* (Subscription offices: PO Box 115, Bracken House, 10, Cannon Street, London, EC3A 4BY).

Of minor interest

IT IS, I suppose, a little early in the year for most of us to start thinking about Christmas presents. Not, however, for dotting grandparents and godparents who have the means to take advantage of coming changes in the system of tax allowances.

As from the start of the next tax year—April 6—child relief is to be phased out, and child benefit is being stepped up to £4 per week per child to compensate. In most cases that isn't likely to mean much more than that some of the family income is being redistributed from the wage earner and taxpayer to whoever stays at home to look after the children. But in one respect it could be extremely advantageous—to children on whom would-be benefactors are keen to lavish money.

At the moment, if a child's income rises above £500 a year, its parents' child allowance (£100 a year for children under 11, £135 for those under 16, and

£165 for those of 16 and more in the year for most of us to who are still dependent) is reduced, £ for £ of the excess. That is, parents have to pay more tax if their child's income is in excess of £500 a year. Well, as from April next, as the law now stands, a child's income—providing that it doesn't come from its parents, or from property that's settled by its parents—can rise sky-high, and it won't make a ha-porth's difference to what its parents have to pay in tax. The child that isn't likely to become liable, as soon as its income rises above the threshold at which basic rate tax is payable—at present £985 a year. But the child itself is liable already.

What this means is that a grandparent, say, or a godparent, or other dotting admirer, will be able to settle property on that child without doing anything dreadful to its parents' tax allowances. Assuming that the gifts are made within the Capital Transfer Tax exemption—£2,000 per annum per



donor, and you can carry one year forward—it won't do anything dreadful to the transferor's tax position, either. The workings of Capital Transfer Tax are such that it always makes more sense (in tax terms) to transfer capital to a child than to its parents (the next taxable transfer is likely to be further into the future). As the law now stands, as from next April there will be an income incentive to give the child the money, too.

Out of pocket

WITH A new term starting this week at the independent schools, most mums are probably heaving sighs of relief at the peace that has descended on the household. Most dads, in contrast, are likely to be groaning at the increase in this year's school fees. No average is yet available, but 10 per cent plus seems to be the order of the day.

The only adequate method of meeting the expense of school fees is to start saving well in advance, if possible from the day your child is born. The specialist insurance brokers who operate in this field have produced some excellent literature on the subject. Now a general leaflet has been produced by the Independent Schools Information Service.

It is entitled "School Fees—Some Ways of Meeting the Cost," and it sets out in very general terms how one can use capital and save out of income to help meet fees when they become due. As an introduction to this most important aspect of private schooling the leaflet is very useful. However, it points out that parents need expert financial help in arranging their affairs, and it urges them to consult with one of the specialists once they have decided on private schooling.

If parents want information on this subject, or on any other aspect of private education, they should contact the Independent Schools Information Service, 26 Caxton Street, London SW1H 0RG.

Setting it aside

OF PARTICULAR interest at this week's launch of Providence Capital Life (the old Slater Building Society) were the findings of the research done by Walker Insurance, the company into investment attitudes among the directors of small companies and the successful self-employed.

In all 193 such individuals, almost all of them men, were interviewed last month. They were asked in particular what were their current investment

Policies for personal investment: directors and the self-employed

Current investments held	
	%
Life Assurance	95
Pension schemes	77
Building Society	70
Property	67
Stocks and shares	49
Bank accounts	30
Unit trusts	21
Linked life	12
Gilt-edged	5
Others	26

Which investment is considered most secure?

	%
Property	32
Life Assurance	29
Building Society	12
Gilt-edged	11
Pensions	11
Linked life	2
Stocks and shares	1
Unit trusts	1

Which investment is considered most tax effective?

	%
Life assurance	33
Pensions	33
Property	24
Building Society	17
Linked life	8
Gilt-edged	7
Stocks and shares	4
Unit trusts	3

directors and the self-employed. Life assurance premiums qualify for tax relief at half the basic rate, while pension contributions qualify for relief in full, at the investor's top tax rate. Those interviewed, by and large, also failed to appreciate that life assurance has the same tax advantages as traditional forms of life insurance.

You can't ignore these figures

£10,000 invested in October 1971 by:

Mr A in the FT ordinary share index
Mr B who then followed the advice of the managers of our investment service.

At 11th August 1978 the valuations of each investment were
Mr A £12,580
Mr B £27,170

Mr B's investment represents an annual compound rate of return of 15.9% of which he can draw 5% pa tax free for 20 years.

Have you or your present managers achieved this result?

For details of our investment service, write in strict confidence and without obligation to:

NBMG FINANCIAL MANAGEMENT
15 Crieff Road, London SW18.

Menage à trois

IT IS becoming fashionable these days for unit trust groups to tie in with life assurance companies, and this week two further decisions on co-habitation were announced. The main benefit accruing from such link-ups are that life policyholders are offered a wider range of funds from which to make their choice of investment (and that could be a dubious advantage), while unitholders who wish to make regular savings can obtain tax relief on their outlay.

AMEV Life Assurance has entered into agreement with Framlington Unit Management, to use their income. International, and American and General Trusts as investment links for both single and regular premium investment. Framlington already has a link-up with one life company—British National—in respect of its Capital Trust; this is an arrangement which has existed for many years. British National seems quite content with the new menage-à-trois, but anyone entering into a Framlington-linked life contract ought to check which partner is involved.

Britannia unites

MEANWHILE BRITANNIA Trust Management, the old Slater Walker unit trust group, has lost little time in seeking out a new partner. But the management, in complete con-

trast to past Slater, Walker policy, is thinking small this time. It has linked up with the Family Insurance Society, a friendly society in the Planned Savings Life Assurance Group.

Investment through a friendly society enables investors to get the usual tax reliefs on regular life assurance premiums; and the underlying funds are tax free too. The principal drawback to this form of investment is that there is a very low limit on the amount that can be put in—premiums are limited to a maximum of £10 per month for investors aged 44 or less, and £11 per month for older investors. But husband and wife can each invest separately up to their maximum.

The other drawback to investment through a friendly society is that their investment policy is controlled by the Trustees Act 1961. This means that at least 50 per cent of the funds must be put into "narrower range" investments, such as gilts or local authority stocks.

Friends provident

IF YOU hold a life assurance policy with Friends Provident, or think that you might do so at some point, do not let last week's announcement of increases in the limits on cover deter you. It is cover extended without automatic recourse to a medical which has been increased—to £80,000 in the case of applicants of 44 or under, less for those who are older. The company will extend much higher cover if you want it, but in that case you will have to have a medical.

Horse for a course

WHEN IS a racehorse not a racehorse? When it's a hound, according to M. N. Russell, M. N. Russell is a firm of financial advisers who earlier this week announced a scheme for companies to run racehorses and set the costs off against corporation tax.

Theoretically, if a horse can be shown to exist and perform entirely for publicity purposes, it is no different from an advertising poster or a sponsored racing car, both of which are chargeable against a company's tax. So if you are the managing director of Worldwide Holdings Inc. why not buy a horse, call it Lossleader, above—and change its name to Lossleader by deed poll. The best thing to do is to go to the autumn sales and buy an unnamed yearling. Supposing your lease started in



tested performer—like Shirley Heights, above—and change its name to Lossleader by deed poll. The best thing to do is to go to the autumn sales and buy an unnamed yearling. Supposing your lease started in

BUSINESS

MARTIN TAYLOR

Ah, but... it will not do to go down to the start quite as fast as this. For as farmers know to their cost, horses are livestock, not capital goods, and their purchase cannot be allowed against tax. This is where M. N. Russell comes in.

Russell propose to set up a subsidiary company, with you on the Board, but with the equity wholly owned by them. They could then—through a reputable bloodstock agent, as Lossleader cannot just be any old hack—buy a horse and lease it to you for, say, a year. There is a little snag here, though. Under Jockey Club rules, British racehorses, once named, are named for life. So you could not buy a tried and

November, and ran a year, you could reasonably expect to see the horse run six times or so between July and October as a two-year-old.

Now let us suppose it is November again, and the lease has expired. If the horse has been successful you might want to buy it, tax-deductible or not. Perhaps, having leased it for a year, you could take it over at a knock-down price? No. In that case the Revenue would consider your leasing as a hire

High Interest... High security... Highly recommended!

Leeds 'High Return' Shares for guaranteed higher interest over 2 or 3 years.

If you've got a lump sum to invest of between £1,000 and £15,000 (up to £30,000 for joint investors) and are prepared to leave it in the Leeds for 2 or 3 years, then the special 'High Return' Shares are one of the best possible high-interest securities available to you. Whatever happens to interest rates, whether they go up or down, the Leeds Permanent Building Society will guarantee—unconditionally—that your 'High Return' shares

Interest however you want it!

What's more, we will send you a cheque for the interest twice a year, or alternatively, we will pay it direct to your bank account, either monthly or half-yearly. Or you can leave it with us to be compounded half-yearly and paid to you with your capital at the end of the two or three year term. Check the chart and you'll see what we mean.

So get the most from your money with Leeds 'High Return' Shares—you'll be getting much more than just guaranteed high interest—you'll be putting the friendliness and security of one of Britain's biggest building societies behind your savings... reasons enough to make anyone smile!

YOUR INVESTMENT	CHOOSE CAPITAL GROWTH		OR MONTHLY INCOME	
	2 year 7.25%	3 year 7.75%	2 year 7.25%	3 year 7.75%
Basic rate (33%) income tax paid by Society.				
£1,000	£1,152	£1,254	£6.00	£6.42
£5,000	£5,760	£6,272	£30.00	£32.09
£20,000	£23,039	£25,088	£120.00	£128.34
Extra value of each additional £100 invested	£115	£125	£0.60	£0.64

Assuming current interest rates continue.

will always earn you more than the rate on Paid-up Shares. If you are a basic rate income tax payer, your savings can earn you, on current rates, the equivalent of 11.49% p.a. gross on a 3-year term.

The Leeds PERMANENT BUILDING SOCIETY

Say 'the Leeds' and you're smiling.

HIGH RETURN SHARES

For more details of 'High Return Shares' and an application form, post off this coupon today to: Mr. E. S. Germaine, Assistant General Manager, Leeds Permanent Building Society, Permanent House, The Headrow, Leeds LS1 1NS.

Name _____

Address _____

FT1

CHIEFTAIN HIGH INCOME TRUST

SINCE ITS LAUNCH, THE UK'S BEST PERFORMING HIGH INCOME TRUST

8.60%

Chiefain High Income Unit Trust aims to bring you immediate high income combined with prospects of good capital growth.

Since the launch of the Trust in September 1976, the offer price of units has increased by 93.2%. In the same period, the FT Ordinary Share Index has risen by 51.0%. During this time, the Trust has out-performed all other UK authorised high yielding unit trusts.

Over the years we shall seek to ensure that the income you receive grows. Furthermore, while a high income is the main purpose of the Trust, it is an historical fact that high income unit trusts have often been some of the best vehicles for capital growth.

We believe that, in the long term, the potential for growth of both income and capital will give you a significantly better total return than a fixed interest investment such as a gilt-edged security or a fixed capital investment such as a building society.

Although you can sell your units at any time, unit trusts should not be regarded as a short-term speculative investment, and we would like to emphasise that the price of units, and the income from them, can go down as well as up.

INVESTMENT PROSPECTS

The funds of Chiefain High Income Trust are invested in high yielding stocks and shares. Our policy is that by far the greater part of the Trust's funds is invested in high yielding ordinary shares. Holdings of preference shares will not exceed 20%. More than this would, we believe, restrict opportunities for growth.

In order to minimise risk, the portfolio is spread over about 100 UK companies. Our investment managers monitor the progress of these companies very carefully—as the Trust's performance to date clearly shows.

Although the financial situation of the country has improved considerably over the last two years, share prices are still at an historically low level relative to company earnings. However, we believe that, amongst other factors, the wealth generated by North Sea oil will aid a continuing long-term recovery in the UK's economy.

This should provide ample scope for improvements in company profits and business confidence, and in turn this will allow further increases in the value of shares, and of Chiefain High Income Units and the income they provide.

SHARE EXCHANGE SCHEME

If you wish to realise a part of your portfolio and invest in Chiefain High Income Trust, the Managers can arrange to sell your present shares for you, and will absorb all the usual expenses of the transaction. This can give you a worthwhile saving. The minimum purchase through the Share Exchange Plan is £500. Tick the box in the coupon for details.

YOUR REASSURANCE

Chiefain Managers Ltd. was established in September 1976. Its five trusts, dealing in overseas as well as U.K. markets, have already attracted funds worth over £10 million. This exceptional rate of growth has owed much to the considerable support Chiefain has received from stockbrokers and investment advisers.

The Trustee of Chiefain High Income Trust is Midland Bank Trust Company.

TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price. You will normally receive a cheque within seven working days of receipt of your renounced certificate.

The 1978 Finance Bill proposes that unit trusts, will pay tax on capital gains at the privileged rate of only 10%.

When you sell units it is proposed that you will receive a tax credit of 10% against Capital Gains Tax. The Managers interpret this to mean that on unit trusts you should have no tax to pay on profits up to £3,000 on sales in any one year, and your maximum liability is limited to 20% of your gain. Or sales before 5th April 1979 the tax credit will be even higher if the proposals become law.

GENERAL INFORMATION

For your guidance, the offer price of Chiefain High Income on 14 September 1978 was 48.3p, to give an estimated current gross yield of 8.60% p.a.

The quoted price and yield is published daily in most newspapers.

Chiefain High Income Units were first offered on 6th September 1976 at 25p each.

There is an initial management charge of 5% included in the price of units. There is also an annual charge of 1% (plus VAT) which has been allowed for in the quoted yield.

Income is paid net of income tax, but this can be reclaimed by non-taxpayers.

Distributions and a report on the fund are made half-yearly on 31st May and 30th November. Units bought now first qualify for distribution on 30th November 1978.

This offer is not applicable to Eire.

The Managers of the Trust are Chiefain Trust Managers Limited, Chiefain House, 11 New Street, London EC2M 4TP. Telephone: 01-283 2632.

CHIEFTAIN
TRUST MANAGERS LIMITED

APPLICATION FORM

Fill in this coupon and send it to: Chiefain Trust Managers Limited, Chiefain House, 11 New Street, London EC2M 4TP. (We would like to buy Chiefain High Income Units to the value of £ _____ at the current offer price. (Minimum initial holding £250). (We enclose a remittance, payable to Chiefain Trust Managers Limited.)

Tick box: ☐ If you want maximum growth by automatic re-investment of net income. ☐ If you want to know how to buy Chiefain High Income Units on a regular monthly basis. ☐ If you would like details of our Share Exchange Plan.

I/We declare that I am/we are over 18 and not resident outside the UK or Scheduled Territories and that I am/we are not acquiring the units as nominee(s) of any person(s) resident outside the UK or Scheduled Territories. (If you are unable to sign this declaration it should be deleted and your application lodged through an authorised depository.)

SURNAME (MR/MRS/MISS) _____

FIRST NAMES IN FULL _____

ADDRESS _____

SIGNATURES _____

IF THIS APPLICATION INVOLVES CAPITAL GAINS TAX AND OTHER TAXES AND NECESSARY CERTAINLY NEED OFFICIAL ADVICE, RECORD THEM

MOTORING/GOLF

Red sales
to the
fun set

BY STUART MARSHALL

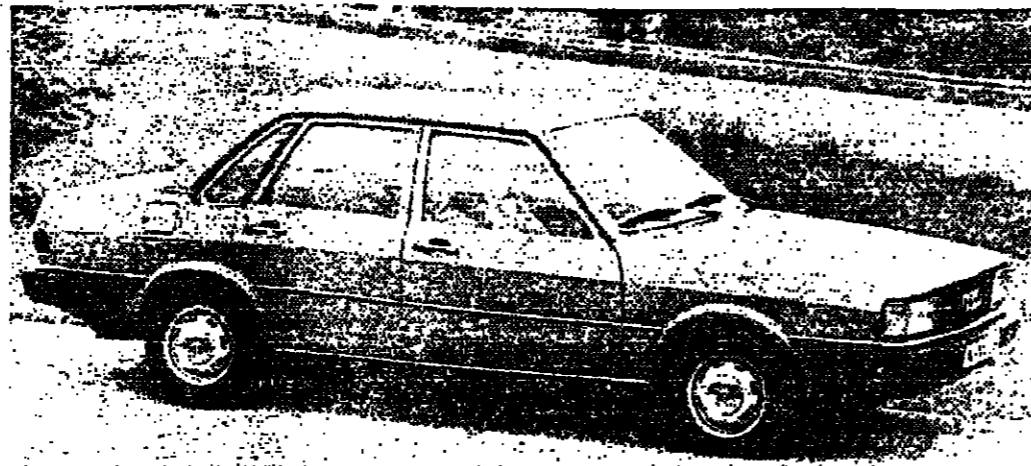
CAN A CAR'S paintwork affect the way it is driven? The professor Audi hired to advise them on colour schemes for the big Audi 100 said it could. On no account, he warned, must the cars be painted red. They would make the drivers feel aggressive.

That was two years ago. The new Audi 80 which made its debut this week looks so similar to the 100 that it is difficult to tell them apart unless they are actually parked alongside one another. Yet the Audi 80 GLE I cruised on the autobahn at over 100 mph a few days ago was finished in gleaming red.

What I asked Audi management, was the explanation? Had the theory been exploded? The answer was short, even enigmatic. The professor, said the top man from Audi, is for us not working any more.

Whether red paint does act on drivers like red rags are supposed to act on bulls I really cannot say. I've never experienced overwhelming urges to cut up the competition when driving my own scarlet Marina 1.3 estate, but perhaps that is nothing to do with the colour. But I can say that the feeling I got from the red Audi 80 GLE was of comfort and relaxation at cruising speeds one dare not even think about in speed-limited Britain. Not once did I even want to shake my fist at my fellow road users.

The GLE, which has a fuel-injected, 1.6-litre engine developing 110 horsepower, is the fastest of the new Audi 80s with a top speed of 113 mph and a 0-62 mph acceleration time of slightly over ten seconds. Alter-



The new Audi 80. Family resemblance to the bigger 100 model is striking.

native engines are a 1.3 litre developing 55 horsepower, and two-carburettor versions of the 1.8 litre producing 75 and 85 horsepower respectively. Only the GLE needs four-star fuel; the others run on two-star.

All the engines are currently used in other Audi and Volkswagen cars. A diesel Audi 80 is in prospect and Audi foresee the time coming when 50 per cent of their production will be diesel-powered to offset ever-increasing fuel prices.

Mechanically, the new Audi 80 has a great deal in common with the existing model, which is a very close relative to the Volkswagen Passat. It seems unlikely that the 1.3-engined Audi 80 will be coming to Britain because Audi as a marque is being moved up-market of Volkswagen. And that is why there won't be an Audi 80 estate car any more. In Germany, the estate car is not the status symbol it is sometimes thought to be here. Its connotations are of small business, not broad acres.

I tried all the new cars—the 1.3 L, an automatic LS with 75 horsepower engine and an 85 horsepower GLE with manual transmission as well as the most powerful GLE. They all impressed with the excellence of

their ride over every kind of road surface. Steering is quick and light, with a compact turning circle. There is almost no tyre rumble.

Refinement is a strong point. The engines are so smooth running that one is tempted to over-exploit their willingness to spin up to high speeds. Even at the red-lined 7,000 revolutions per minute, the GLE was not at all strident. If anything, it was quieter cruising at 100 mph than it was at between 85 mph and 90 mph.

The less powerful cars are correspondingly lower geared. All pull nicely in third or top in traffic and the light footed can see how they are saving on fuel at a glance. Next to the petrol gauge is the econometer; the harder and more wastefully you are driving, the higher up the scale the needle moves.

The body is a four-door saloon, subtly wedge shaped so that the boot is exceptionally deep but the rear window line is not so high that it makes reversing difficult. Big, wide opening doors make getting in and out easy. Visibility is excellent and the cloth seats most comfortable. As in the Audi 100, the bottom safety belt 80 here by nearly two to one. Whatever their height, driver about?

and front passenger can clunk-click equally comfortably.

Instrumentation is easily seen and even the 1.3 has a rev-counter. All switches are disposed on either side of the instrument panel, a sensible idea pioneered by Citroën with the CX and followed by Fiat with the Ritmo.

The new Audi 80 will be seen at the Motor Show at the NEC, Birmingham, next month and will go on sale in Britain early in the new year. Prices are unknown, but are likely to show only a modest increase on those of the present model.

The fuel injected GLE will arrive a little later than the carburettor models. Ultra low profile, 60 series Pirelli P6 tyres will be an optional extra. Two-door saloons will go into production next March. No one actually said so, but a successor to that elegant car, the former Audi 100 coupé, is clearly in prospect. It will be based on Audi 80 mechanicals but with a five-speed gearbox.

VW-Audi think the new 80 will bring about an even balance between sales of their top models, the 100, and the 80. At present the 100 outsells the 80 here by nearly two to one. Who says there is no money for cars?

A dream
course in
paradise

MY PERSONAL search for the ultimate golfing paradise ended earlier this week soon after arrival here at Pacific Harbour Golf and Country Club to cover the Gilbey's Gin-sponsored South Seas Classic, the first event carrying Order of Merit points on the 21m Australian tour, and the only major tournament played outside that continent.

A labour of love that by next February will have been diligently pursued for a quarter of a century has taken your fortunate correspondent to many idyllic golfing locations. Of those that spring immediately to mind, Pevero on the Costa Smeralda in Sardinia and Princeville at Hanalei on the most remote Hawaiian island of Kauai must rank high on my list of the top ten new get-away-from-it-all holiday resort complexes.

But Pacific Harbour goes immediately to the top of the list for a variety of good reasons. Ironically, all three courses are the brainchildren of Robert Trent Jones, both Senior and Junior. Bobby Junior with Princeville and this magnificent venture outpointing his

renowned father by two to one.

In terms of sheer invention, innovation and constructional genius, Pevero and Pacific Harbour are poles apart, literally as completely different as two golf courses could be in terms of their settings. While Pevero was hewn out of barren rock, with its 18 ribbons of cultivated grass created as a unique basis in a singularly rugged landscape, Pacific Harbour could not possibly be lush or more beautifully verdant. The whole wonderful development has been carved out of a reclaimed swamp that meanders between the ocean and the jungle-strewn tropical rain forests set on precipitous hills that loom dark and forbidding on the outward half of the course. The inward nine holes are far less imposing since they are set in the largely flat swampland interlaced by irrigation ditches and a network of artificially created canals.

But with the almost ever-present breezes constantly changing direction they pose their own different problems. The myriad colours of the tropical trees, shrubs and flowers now make the whole area a riot of colour. But those who saw the site before it was reclaimed and construction began were unanimous in their opinion that everyone concerned with the development had to be raving mad.

Now they are rightly acclaimed as men of genius and Pacific Harbour, put on the

GOLF

BEN WRIGHT

Sept. 15.

golfing map by the foresight of the sponsors of the South Seas Classic, will be the venue next month of both the world amateur team championships, the Eisenhower Trophy for men and the Espirito Santo Trophy for women.

The hundreds of golfers involved are going to have an unforgettable experience in every way. If there is a more pleasant race than the Fijians, I have yet to encounter it; a veritable nation of smilers whose unfailing politeness and good humour will do much to heal the wounds that this big golf course will inevitably inflict on even the most proficient and experienced players.

Tears are going to be shed here in plenty, make no mistake. And 18-hole scores in three figures will be commonplace.

The outward half will cause so much agony one can only hope that some of the medicine distilled by this week's sponsor, which has been on sale near the 10th tee because the clubhouse is a quarter of a mile away, will be left over for next month's protagonists.

The ditches and canals will cause most of the grief, since they intervene at practically every hole. The bill for the timber alone required to pro-

vide hundreds of red, yellow and white stakes to define water and lateral water hazards and out of bounds must have been enormous. One of my few criticisms of the course is that too much of the water is classed as out of bounds. It would be much fairer if the stakes were placed beyond the water, since most of the jungle there is impenetrable in any case.

The sixth, seventh and eighth holes will prove to be a veritable disaster area. Double figures will frequently be written on the cards at the 549-yard sixth, perhaps the toughest, definitely the most claustrophobic, and certainly the second most beautiful par five I have ever seen, excelled in this department only by the 15th at Harbour Town Links on Hilton Head Island off the shores of South Carolina.

The entire hole, as is the case with the almost equally difficult seventh of 430 yards, is bounded by water. But the sixth is visibly more menacing because it swings left down a narrow valley flanked by those steep, dark, satanic hills. The tee shot is fearsome because it must be hit on to an island inhabited on the left by a large bunker. A lateral water hazard from tee to green on the right is connected to the out of bounds canal on the left by two water hazards that create the island. Bunkers left and right on the "mainland" beyond further complicate matters and two more, one on each flank, make a small green no easy target.

arrangement, and other countries, such as Denmark and Sweden, which struck thalers or dalers of their own, were not involved with imperial edicts at all.

The best known of all the thalers are those bearing the profile of the Empress Maria Theresa, dated 1780, which were introduced to the Middle East two centuries ago and became so popular that they have endured to this day.

The thaler, as legal tender, came to the end of its career in 1872 when following the establishment of the German Empire under the hegemony of Prussia, the mark of 100 pfennigs became the monetary unit. One of the last thalers to be minted was the Victory Thaler of 1871 celebrating the Franco-German War. In fact, if not in name, the thaler survived in the large commemorative coins in denominations of 2, 3 or 5 marks, struck by no fewer than 25 kingdoms, principalities, duchies and cities of the Reich from 1873 to World War I.

Glendinning's sale of English and foreign coins on September 20 contains over 40 lots of thalers, dalers, dalders, and other ancestors of the dollar. Typical of the florid design of these coins is the thaler of Archbishop Johann Ernst of Salzburg, 1692, which is illustrated here.



COINS

JAMES MACKAY

PORTUGUESE exploration of the African coast and the discovery of the sea route to the Indies transformed one of the poorest countries in Europe into the richest in the 15th century. The gold of Africa and the Orient found its way quickly from Lisbon to Antwerp, then the great bullion market of Europe. The Portuguese exchanged gold for silver which was in great demand in the East and this stimulated the revival of silver-mining in central Europe. This coincided with the invention of techniques for refining silver and the discovery of new deposits in Bohemia and the Tyrol. It has been estimated that the output of silver in central Europe increased five-fold between 1450 and 1500.

Hitherto European coinage was dominated by gold, but now there was a decided swing towards silver. In 1486 Archduke Sigismund of Tyrol began striking a silver coin of the same value as the gold florin or guilder. This guldengroschen was the prototype of the numerous large silver coins

struck all over Europe in the 16th and 17th centuries. By 1500 guldengroschen and their equivalents were being minted in Hungary, Austria and Switzerland.

In 1519 Stephen, Count of Schlick, in northern Bohemia took up an option from the Imperial Court to strike coins in his territory where some of the richest seams of silver had recently been discovered. Soon the silver coinage of Schlick was as plentiful in circulation as the Saxon pieces. They were nicknamed Joachimsthalers, after the silver mines and minting house at Joachimsthal (Jachymov) in the Erzgebirge mountains. Eventually this was shortened to thaler or talar and came to be applied to almost any silver coin of this size and weight—even retrospectively to coins which had been in circulation long before the Schlick mint was in operation.

Ironically, the success of the Schlick family was their undoing. Ferdinand I of Habsburg ascended the throne of Bohemia in 1526 and two years later the Joachimsthal mines were the subject of a royal takeover. Under Habsburg control Joachimsthal's output was greatly increased and by 1533 had surpassed the combined output of all the silver mines in Salzburg and the Tyrol. This encouraged the issue of similar coins in many of the

principalities, bishoprics and free cities of the Holy Roman Empire. Among the first to issue such thalers were the Elector of Brandenburg, the bishop of Würzburg and the imperial city of Lübeck but by 1550 thalers were being produced in the name of every petty principality.

A state of monetary chaos existed in the Holy Roman Empire throughout the 16th and 17th centuries, compounded by the series of quasi-religious wars which reached its peak in the Thirty Years War (1618-48). The Holy Roman Empire tried vainly to bring some order out of confusion by establishing 10 regions or circles whose monetary authorities could more easily control the movement of coinage and regulate the size, weight and fineness. Prussia, Bohemia and Hungary, however, remained aloof from this

CHESS

LEONARD BARDEN

BRITAIN'S YOUNG chessplayers scored two encouraging successes late last month in important European tournaments. John Nunn's victory at age 23 in the traditional Tungsram international at Budapest was a remarkable achievement by an amateur—Nunn is a mathematics tutor at Oriel College, Oxford—against the East European professionals.

Very few Westerners have ever gone to a major event in Eastern Europe and won, and to crown the result Nunn's score of 10 points from 15 games qualified him as Britain's fourth grandmaster after Miles, Keene and Sean. His first grandmaster norm came in London at last year's Lord John Masters.

The Tungsram event, sponsored by Hungary's leading manufacturers of light filaments, always has a powerful entry, and Nunn finished ahead of seven grandmasters. The full result was Nunn (England) 10, Com (Hungary) 9, Adorjan (Hungary) and Kizimov (USSR) 8, Vadasz (Hungary) and Mednis (U.S.) 8, Malich (East Germany) and Jansa (Czech) 8, Barezy and Groszpeter (both

Lukacs (Hungary) 7, Ree (Holland) and Lukacs (Hungary) 7, F. Portisch (Hungary) 6, Regan (U.S.) 5, Fernandez (Cuba) 5, Hardiesay (Hungary) 3.

One of John Nunn's favourite openings is the Tarrasch Defence to the Queen's Gambit, where Black takes on a weak isolated queen's pawn but has active piece play.

White: L. Vadasz (Hungary). Black: J. D. M. Nunn (England). Opening: Queen's Gambit, Tarrasch Defence.

1 N-KB3, P-Q4; 2 P-B4, P-K3; 3 P-KN3, P-QB4; 4 B-N2, N-QB3; 5 0-0, N-B3; 6 P-P, P-P; 7 P-Q4, B-K2; 8 N-B3, 0-0; 9 B-N5, P-P; 10 R-NP, P-KR3; 11 B-K3, R-K1; 12 N-N, P-N3; 13 Q-R4 (a new idea, to put early pressure on Black's weakened pawns), B-Q2; 14 Q-B2, Q-B1! (the best counter, probing for counterplay against the white king); 15 R-R1, B-KR6; 16 B-R1? (White should play 16 N-R4, N-N5; 17 B-Q2, Q-K3; 18 B-K1, Q-R1; 19 P-K4, Q-B3; 20 P-P, (overlooking the threat: White has to admit his mistake on move 16 and play 20 B-N2), N-KB1; 21 Q-R4, N-K3; 22 R-N, P-P; 23 N-P, P-P; 24 R-N5 (with knight and pawn for rook, White appears to be still in the game, but his back rank is weak), B-QB4; 25 Q-B2 (25 B-R, Q-K3 ch), B-N3; 26 N-B, Q-B4! 27 R-R, R-R; 28 Resigns.

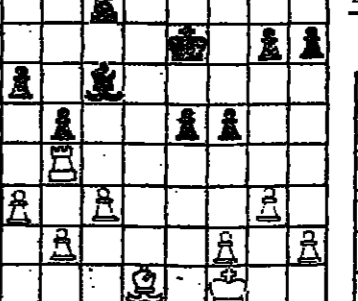
An elegant finish. If 28 Q-R4, Q-QB1; or 28 B-K4, Q-KB3 or 28 Q-Q, R-Q8 ch.

The other fine British result last month came from Tony Miles, who at the annual "wine tournament" at Montille in P-QN4; 14 P-N5, N-K1; 15 Q-N4, P-N3; 16 Q-R1, N-N2; 17 P-KR4, B-N5? (badly weakening his king's defences; a sound plan is P-N5 followed by P-B3); 18 N-Q7, B-B1; 19 N-QP1, K-R1 (EXN); 20 Q-B1; 20 N-B5, B-B2; 21 P-Q5, N-K2; 22 B-K5! R-N; 23 P-R5! R-P; 24 Q-B4, R-R; 25 R-R, Q-R4 (Q-N3; 26 P-R8); 26 N-K8! P-B3; 27 P-P, K-N1 (N-N; 28 P-B7 ch); 28 N-N, Resigns.

Black's game is in ruins. Spassky is the strongest opponent. Tony Miles has ever beaten—so far.

POSITION No. 233

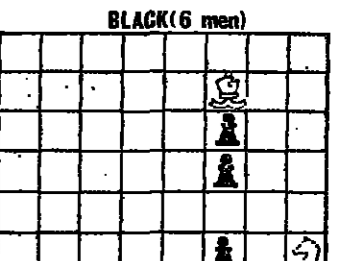
BLACK (9 men)



WHITE (9 men)

Spassky v. Korchnoi, USSR Championship 1961. Taken from "Korchnoi's 400 Best Games" (Batsford) this diagram shows Korchnoi (Black, to move) with a positional edge but Spassky ready to simplify by P-QR4. Puzzle—find Black's best move and the tactical idea behind it.

PROBLEM No. 233



WHITE (3 men)

White mates in four moves at latest, against any defence (by W. A. Shinkman). Solutions, Page 12

BRIDGE

E. P. C. COTTER

IN TODAY'S two deals from the Open Pairs at the recent Olympiad, the declarers had to dig deep for the tricks which were needed to fulfil their contracts. Here is the first:

N. ♠KJ76
♥J42
♦K83
♣AJ6

W. ♠Q1063
♥Q943
♦Q843
♣Q843

E. ♠A9875
♥J10
♦K82
♣A10882

S. ♠K
♥A765
♦1075
♣1075

match points, and South bid one spade. West jumped to four hearts, a deliberate overbid designed to stampede the opponents into taking the wrong decision. As he had opened on a bare minimum, North passed in spite of his good spade support, but South decided to compete with four spades, which became the final contract.

West's lead of the heart three was won by the Ace, and the declarer's King dropped. Prospects for making the contract were not bright, for in addition to one loser in each red suit there were two club losers, and the trump Queen had to be picked up.

East switched to the Knave of diamonds, which South won with the King on the table. Placing West with spade short in view of his pre-emptive heart raise, South cashed the spade King, unblocking the eight in hand, and then ran the six from the table. When this held, he drew East's Queen with the Ace, and returned the five of diamonds. West put up his one heart, a typical overcall at

with the ten, which was just what the declarer had hoped for.

As a club lead seemed unattractive, East decided to return a heart. Instead of ruffing, the declarer discarded one of his losing clubs, and West won with the Queen. Now the Knave of hearts was established, and would provide a home for South's second club loser.

In the second hand, East dealt with both sides vulnerable:

N. ♠J83
♥3
♦K964
♣KJ986

W. ♠Q742
♥10872
♦17
♣1075

E. ♠K5
♥AQJ54
♦85
♣AQ32

S. ♠A1096
♥K96
♦AQ1032
♣4

the opener South said three diamonds. North raised to five diamonds, East doubled, and all passed.

West led the two of hearts which was taken by the Ace, and East returned the Queen, which was hardly a dynamic defence. There must be a good case for leading the King of spades. As the cards lie, this defeats the contract.

Winning trick two with the heart King, declarer at once led his singleton club, fusing dummy's eight. When this drew the Queen, the situation was more hopeful. Now, too late, East decided to lead the spade King. The declarer won, drew two rounds of trumps with Ace and King, and led the club King. This was covered by East and ruffed in hand.

Now a heart was ruffed on the table, and the Knave of clubs was cashed. When the club ten dropped from West, the declarer's problems were over, because dummy's other two clubs were masters and would draw for his two remaining three clubs. After a pass from

MOTOR CARS

EUROPE'S LEADING SPECIALIST CAR AUCTION CO.

VICTORIA & CO.

INVITE ENTRIES AND BUYERS TO THEIR NEXT

BUCKINGHAM PALACE ROAD

PUBLIC AUCTION

ON SATURDAY SEPT. 23rd at 11a.m.

If you have a fine post war sports car allow us to show it to over 2,000 prospective purchasers and realise its full value.

Entries will include 100 sports cars.

Some early consignments include:

1963 AUSTIN HEALEY 3000
1976 LAMBORGHINI URRACO
1973 FERRARI DINO 246GT.
1956 JAGUAR XK140 Coupé
1946 MG TA Green
1973 ALFA ROMEO MONTREAL
1952 LTV SPECIAL
1961 DAIMLER DART B.R.G.
1964 JAGUAR "E" TYPE 2+2
1953 BENTLEY MK6
1973 ASTON MARTIN V8
1954 TRIUMPH TR2
1976 SPARTAN V8
1967 AUSTIN HEALEY 3000
1957 ROLLS-ROYCE SCI L.H.D.
1969 RELIANT SCIMITAR
1974 MUSTANG GHIA II
1964 ALFA ROMEO SPYDER
1970 MARCOS 3 LITRE

1958 LOTUS ELITE
1954 SUNBEAM ALPINE
1949 MG TD CONCOURS
1967 TRIUMPH TR4A
1973 BMW 3.0 CSI
1965 BENTLEY Continental
1955 AUSTIN HEALEY 100/6
1960 DAIMLER DART Red
1968 LOTUS ELAN S4
1957 BUCKLER Sports
1965 PORSCHE 356C
1970 JAGUAR "E" Type Special
1959 JAGUAR XK15 Drophed
1965 PORSCHE 911 Coupe
1958 JAGUAR XK150 Coupe
1967 JENSEN INTERCEPTER FF
1958 AUSTIN HEALEY SPRITE
1949 BRISTOL 400 Airflow
1961 MORGAN +4 Coupe

There is still time to consign your car. Be sure to request your entry form today. Prospective bidders must register prior to the auction and leave a refundable £100 deposit to obtain a bidders card.

Victoria and Co. have a permanent display of cars for sale at their showrooms in Buckingham Palace Road.

ENTRY TO THE AUCTION WILL BE BY
CATALOGUE ONLY

U.K. £4 OVERSEAS AIRMAIL £5

PLEASE CONTACT US FOR FURTHER INFORMATION

199 BUCKINGHAM PALACE ROAD, LONDON, S.W.1.

Telephone 01-730 9438/9. Telex 886838.

WATERLOO

CARRIAGE

ENGLAND'S LARGEST LANCIA DEALER

38.48 THE CUT SE1 Telephone 01-928 1922 TELEX 917033



EDUCATIONAL

SPANISH INSTITUTE, 102, Eaton Square, S.W.1. Term starts on 2nd October. All level courses in Spanish Language and Culture. Shortland. Audiotape aids. "A" Level Full-time Post-graduate course. "B" Level Part-time. "C" Level Commercial course. Full details 01-235 1488.

CLUBS

EVE, 109, Regent Street, W.1. 0557. A to Canteen or All-in Menu. Three Spectacular floors. Shows 10.45, 12.45 and 1.45 and music of Johnny Hawkesworth & Friends.

CAREERS/FASHION

Why the small village schools have to go

BY MICHAEL DIXON

AT THE crest of the hill midway between Strines in Cheshire and New Mills in Derbyshire stands a small, stone building. When last I entered, it was a thriving village school of some 50 children.

In its eastern half gentle Miss Gee taught all the five to seven-year-olds in an ample, friendly room with big French windows. At the age of eight, the pupils moved into the more sombre western room where until they were 11 they were instructed by the formidable head, Miss Whitworth. Despite or perhaps because of her sternness—to which the memory of occasionally stinging palms still testifies—Miss Whitworth is one of just four teachers in the whole of my formal education who taught me something which is of practical use to me today.

Whether that building in Hague Bar works as a school today, 37 years after my leaving it, I do not know. But even if it does, there must be heavy odds that like numerous other small village schools maintained through local authorities, it will soon be shut as the numbers of pupils fall in train of the declining birth rate. Since my two years at Hague Bar were largely happy as well as valuable, I have some reason for endorsing the movement against the closure of such schools, which over the past few weeks has brought protest both verbal and active.

The economic case for these closures no doubt seems strong from the point of view of education planners in central and local government. As Thackeray said, however: "We have but to change the point of view, and the greatest action looks mean."

An example is the action by many authorities this year to shorten their schools' summer holiday by a week, adding a compensating week to the Christmas break, so as to economise on the cost of heating and lighting. In national terms, of course, the result will be steeply increased use of energy as the cost is transferred to and multiplied among tax-paying households and companies who rely on married women workers.

This example of cynical official concern with depart-

mental, as opposed to public, budgets gives warning against easy acceptance of any measure represented by governmental interests as an "economy." And although I am persuaded that the decisions to close small schools are generally free from such official self-serving, the economic calculations which argue for the closures can hardly have taken account of all the extra "costs" which will be imposed on children and parents affected. Even, for instance, if local authorities pay for special transport to take every former village-school pupil and teacher to some larger central establishment (which I doubt that they will) the families involved will surely suffer considerable additional inconvenience, not least from the lengthening of their working day.

In dwelling on such inconvenience and extra personal expense as arguments against the closures, however, I am well aware that the bulk of the protesting will think that I have missed the point. Their anxiety is not about the nuisance and pin-money costs of the decision, but against what they see as the consequent "educational losses." These include the transfer of pupils generally from small to large classes, and from the intimate educational community of a village to the more impersonal collective of a town.

But I have not missed the point, because I do not believe that these changes which are so widely thought to be educational losses, are justified as such by the evidence.

It seems to me that the high value publicly set on small classes and intimate communities such as Hague Bar, follows from a mistaken, romantic view of education as some ideal commodity, divinely devised so that the more of it everybody has, the better we all shall be. In reality, education is not like that at all.

It is a set of practices carried on by fallible human beings, a small proportion of whom are good at their job, and another small proportion bad, with the dominant proportion tending towards the merely average. Moreover, while education may

or may not endow its customers with benefits such as a sensitive appreciation of "community," its main effect on children's lives is the increasingly important one of determining their life prospects according to their attainment in academic examinations.

That kind of attainment is clearly an inappropriate criterion in most cases for selecting youngsters for a good, bad, or even no job at all. But the fact is that examination passes are being used more and more rigidly to determine career prospects. And for as long as they are used in this way, academic attainment will be what counts most in a child's education.

Now, it is well known in the teaching and associated professions that despite the emotional appeal and comfort of small classes, numerous research studies have failed to connect them with improved academic attainment. If anything, the balance of evidence seems to be in favour of large classes. The most obvious inference is that the main influence over attainment is the skill of the teacher, and that good teachers tend to be given larger classes. I see no reason to believe that simple transfer from a small to a large school must make a good teacher mediocre, or vice versa.

What is more important to the argument about the closures, and less well known to the educational profession, is that the recent survey of primary schools' performance to be published soon by the Department of Education and Science, has produced evidence which seems to be actively against the preservation of the village variety run on Hague Bar lines.

The survey—which incidentally has found all but 3 or 4 per cent of the schools to be concentrating on teaching the Three Rs—shows that attainment among children at establishments like Miss Whitworth's where different age groups are all taught together, is markedly inferior to that of their counterparts taught in one-year age bands. The important educational evidence therefore seems in favour of the closing of the small village schools.

Autumn changes

BY ARTHUR SANDLES

THREE WORDS sum up fashion for this autumn—tweed, cord and leather. Over the next few weeks as the shops get into their full autumn and winter selling pace you will see an increasing amount of all three and although the fabrics sound, and often are, casual the mood is one of close attention to detail and style.

Denim has largely disappeared from the fashion end of the business, in spite of its massive continued sales in the High Street. Cord has moved in to take its place as the basic jeans material and you are likely to find cord used in jackets and even shirts. Colours are traditional autumnal, with lots of beige, rust and, here and there, some greys.

The mood at the moment is one of revolt against the "who cares" attitudes of the past few years. We may be taking a teetering step towards a return to those days when what you wore to a particular occasion really mattered.

The nicest change is surely to shirts. The highly tailored crisp styles of the early seventies are giving way to softer lines and softer fabrics (Vivella-style). Buttons and tabs are reappearing on collars. Designers have shied right away from the vivid starkness of a couple of years ago and gone instead for the more muted tones. Ties, too, are subtler, less abrasive.

All this is not just fashion fancy, as the lovable Tommy Nutter, who has just signed to do 1979 collections for Austin Reed (Cue shops) says: "There are more major innovations in men's clothes than there have been in a decade. After a period of more than 10 years of widening things the force of fashion gravity will begin to reverse."

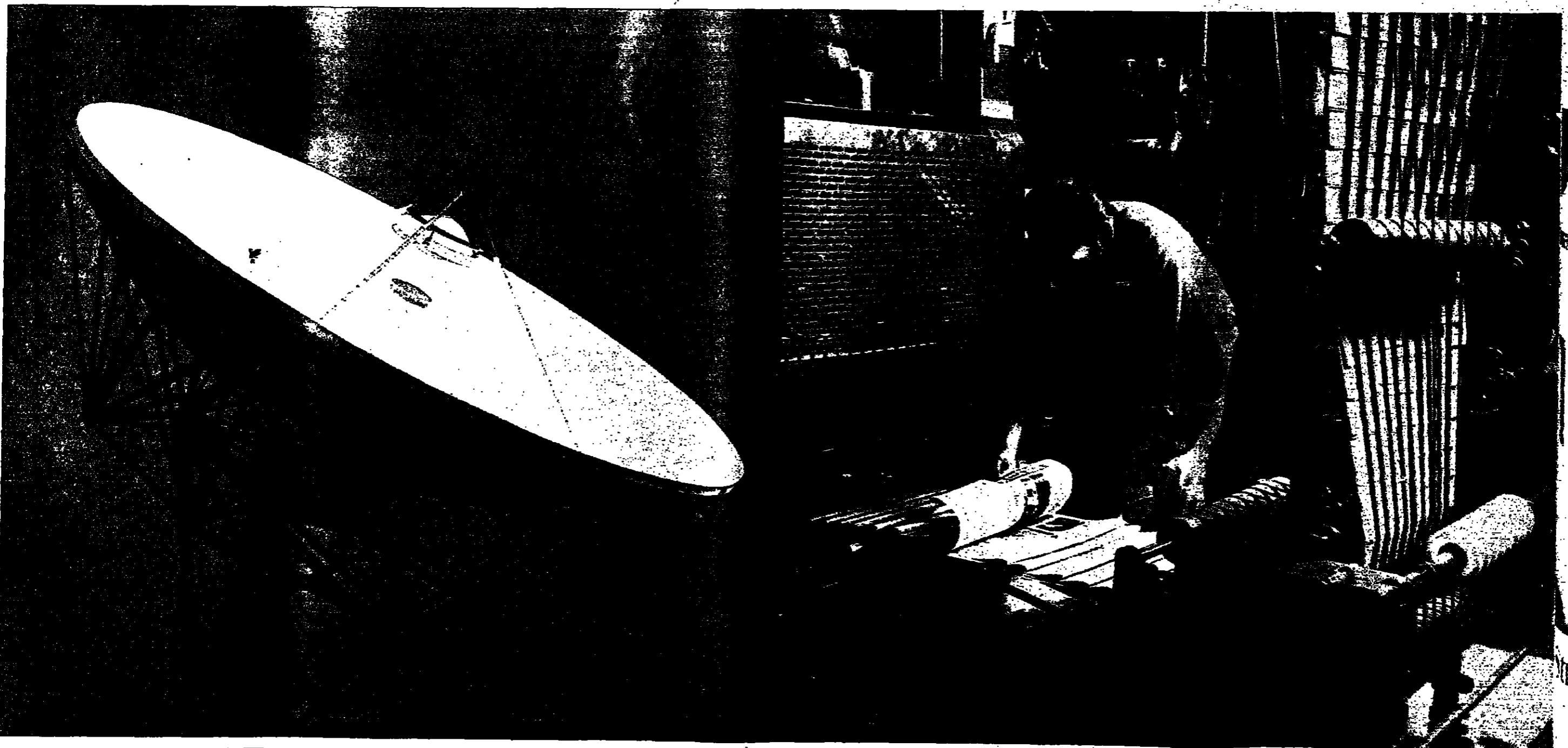
Ebony in London's South Molton Street is one of the best places in the world for getting a glimpse of clothing several paces ahead of the crowd. Much of the stock may be a little extreme for everyday City use but for evening wear Ebony's shirt range takes some resisting, as does the

knitwear (all hand-done so be prepared for price shocks). You might even emerge with some silk-lined leather trousers for £120.

Ebony and Mr. Nutter are a bit in advance of the bulk of the goods, which are likely to be on show at the MAE International Menswear Fair. The Fair opens this week-end for the trade and gives high street retailers a chance to stock up for next spring. It is a bread-and-butter working show, not high fashion. If the advance material is any indication the industry clearly thinks that the emphasis in 1979 will still be on leisure wear. The Fair, which I hope to review in a later column, is usually a sound reminder that the fantasies of central London and Paris take some time to echo out, and that by the time they do some sense has normally been knocked into them.



The shirts above, in gentle, soft fabrics, come from Peter Hoyle, South Molton Street, and range in price from £21 to £27.99. Peter Hoyle is an ideal shop for anyone looking for helpful guidance towards style rather than trendiness. Hoyle himself is a chunky six-foot plus and sympathetic towards those who do not have model proportions. The St. Laurent suit (below left) is from him. It is in wool with lambswool, with cord trim and a cord waistcoat, and costs £168. The casual outfit on the right comes from Peter Brown branches up and down the country. The jacket costs £25.95. The cord trousers come complete with cord braces—£14.99. Peter Brown has tweed suits from £49.99 and Harris tweed from £110.



The spoken word

At Rockwell International, we're in the business of putting technology to work. And our technology has made us a leader in the business of communications.

The voice of every NASA astronaut has been heard via Rockwell-Collins equipment. Our capabilities include making small HF sets and designing and building entire national microwave systems

incorporating satellites and computers. Most western airliners carry our avionics, and our air traffic control systems are widely used. All this is Rockwell technology at work.

And when it comes to the written word, you'll find that many major newspapers and other publications are printed on our Rockwell-Goss presses.

High technology communications is

The written word

a major part of our business. But we also apply the same standards to our other activities—automotive, power tools, energy, micro-electronics, industrial sewing machines, aerospace and industrial valves.

And of course, the spoken and written word.

Rockwell International. Putting technology to work—for you.

If you would like to know more about us, please write to The Communications Director, Rockwell International Limited, Rockwell House, 23 Grafton Street, London W1P 5LG, England.



Rockwell International

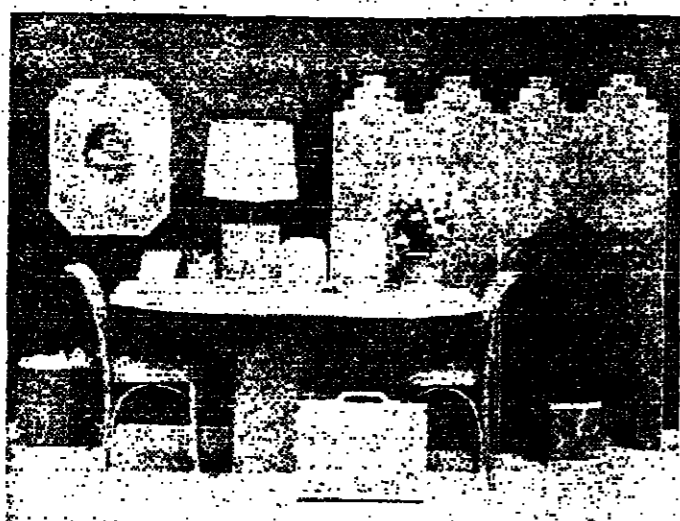
Bramber Engineering Co. Ltd., London; Rockwell-Collins (UK) Ltd., Hounslow; McEvoy Offield Equipment Ltd., Stroud and London; MGD Graphic Systems Ltd., Preston; Rockwell International S.A., Slough.

Rockwell International Ltd., London; Rockwell-Maudslayi Ltd., Alcester; Rockwell-Rimoldi (Great Britain) Ltd., Leicester; Rockwell-Thompson Ltd., Wolverhampton; Automotive Operations, Wolverhampton; Rubery Owen-Rockwell Ltd., Uxbridge, North Wales.

John, 20/2/78

HOW TO SPEND IT

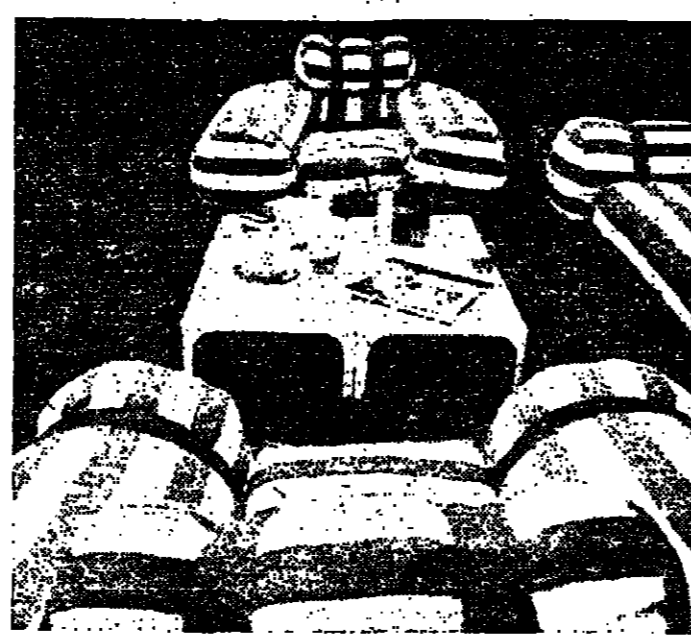
by Lucia van der Post



Bright and breezy

THE TROUBLE with much of the do-it-yourself that those who advocate it become carried away by the technique and the excitement of the "doing" so that often the actual desirability of the end product seems to get lost along the way. A book that manages to combine a sense of fun and taste with instructions as to how you might achieve some bright ideas yourself, is therefore very welcome.

Bright Ideas for the Home manages to do just that. It is the brainchild of a Danish couple, Per Dalsgaard and Elisabeth Erichsen, who were driven to making their own furniture not only because most of what they saw in the shops was too expensive but primarily because they couldn't actually find anything they wanted to buy. Per Dalsgaard therefore set about making furniture for himself. He bought himself an old sewing machine and, using a minimum



of tools (a hammer, a saw, a brace) he furnished the house with such style and panache that friends began to want some, too. Magazines began to ask for pictures and finally, a publisher wanted a book.

The book is basically very young in spirit. You won't find in it approximations of Empire chairs, or grand Jacobean tables, or dinky little occasional tables. What you will find are bold and colourful ideas, many of them very simple (like the trestle table) others only a little more complicated.

What makes this book so special is its freshness of approach. Just the ideas for perking up a deck-chair are so ingenious and so numerous that I long to get cracking on our own. Whatever your mood there will be some kind of deck-chair cover to suit it.

The ideas range from the large and money-saving (like the four-poster bed) to the small and charming (many of which would make useful and totally original Christmas presents). For those who can't bring themselves to tackle the really big items, there are instructions and suggestions for making a striped rucksack (you wouldn't see many others like that), children's oilcloth ties, some of which are so attractive they double as wall-decorations. There are bulletin display boards and a whole host of ingenious suggestions for using cork (our photograph, above left, shows some of them).

But if you really want to save money or want to tackle the weightier pieces of furniture, then the authors make it seem easy and fun. I have not I have to admit, had time to tackle the making of anything myself, but they do seem to have such attractive ideas that if I were in need of a sofa, or a chair, or an attractive dining-table, I might well turn to them for advice.

They offer something like four different table designs, several different chairs and sofas (some of which are photographed, above, right), ranging from the really young and informal to designs that are rather more classic.

On the whole they suggest inexpensive materials like chipboard and foam rubber but the results are far from cheap looking, because they are transformed by wit and taste and that indefinable ingredient of style. So, whether you actually need to furnish a new house, or just want a few ideas on how to make over an old deck-chair, whether you want to learn how to make some original presents or contrive a dining-table for next-to-nothing, this book will have something for you.

It is published by Macmillan and costs £5.95.

Face up to Autumn

ALTHOUGH you may not be wearing much make-up now—a bare minimum of cosmetics looks fine on a lightly tanned skin—there always comes a moment when the darker tones of autumn clothes and a fading tan call for a fresh palette of make-up colours. This autumn sees an even greater change than usual. The pretty young girl of spring has grown into a glamorous woman and a much more striking make-up is called for. With the more muted tones of autumn, with all the burgundies, clarets and blackcurrant colours, a stronger, but not heavier, face will be essential.

Hair, too, is more dressed up this autumn: there's nothing natural looking about the intricate braids, plaits and twists that are the newest way of dressing hair for parties this winter. As anyone knows who has worn the tightly permed "coupe sauvage" hairdo, stylised hair doesn't look right with a barely made-up face; a more dramatic make-up is needed to balance and complement.

Don't be shy of colour

Eyes are a good place to start. They are a focal point which are often neglected. If you have been wearing very little or only a muted brown shadow, try experimenting with the more vibrant colours like grey-green, real blue, violet, plum and aubergine. And for evening-party colour blending, mixing unexpected tones together such as blue with pink, green with yellow, olive with apricot and turquoise with heather and violet. Estée Lauder's automatic creme eyeshadows are excellent for blending and come in the new autumn colours, Burnished Burgundy being one of the outstanding new ones.

Be sure to take your shadow colours right round the eye, smudging them softly close to the bottom lashes and team them with matching coloured eyeliner, kohl pencil and mascara in green, violet, and sapphire blue. Mary Quant, Orliane and Princess Galitzine all do excellent coloured kohl pencils while good coloured mascaras are produced by Estée Lauder (Desert Blue and Tropical Green) and Orliane (navy, grey/green, dark green or blue). Charles of the Ritz (blue and mauve) and Elizabeth Arden (Burgundy and navy).

Accept new ideas

Don't cling to the idea that pink and peach foundations are the only colours for your skin: these shades always tend to hot up and go orange and will not help to give the cool, pale complexion tone which is the right look just now.

Choose a biscuit beige foundation: it may not look very promising in the bottle but it will give you the required pale and interesting look and you can always add a glow to the skin afterwards. Charles of the Ritz Vendôme Ritz Mat, Elizabeth Arden's Beige No. 1 Liquid Foundation or Estée Lauder's Bare Beige Tender makeup are all foundations that are just right for autumn.

Don't be afraid to experiment: otherwise you will be like those people who always complain that as soon as they find a cosmetic they like it is discontinued.

It is true that manufacturers do change their ranges, discontinuing slow sellers and experimenting with new colours and presentations. But they do their best to give the customer what she wants and also what will not only perform better but will be appropriate to the whole fashion image.

For instance, most modern blushers go on much more smoothly and last better than the old style cream rouges which they replaced. Today's powder blushers fluff on easily and stay put all day.

Old-style cream eyeshadows used to melt and go into little lines in the crease of the eye. Now manufacturers have developed water-based eye glosses that dry on contact with the warmth of the skin: they no longer melt on your lids but blend easily with other shadows to give a soft effect.



Play up your lips

Bright red Hollywood lips are back in style, particularly for parties this winter: think of any of the movie queens like Jean Harlow, Joan Crawford and Rita Hayworth and don't be half-hearted in your choice of colour. A strong mouth in a deep shade of lipstick looks right with the new clothes and hair, helps to brighten the face and make skin tones look clearer.

The shape of the new mouth is rounded: bow lips and angular shapes are out. Be sure to remember to take the colour right into the corners of the mouth and use a lip brush to give a good contour, or outline lips first with a pigment-toned brown pink or freckled coloured pencil.

If you've always avoided strong colours because you've found that they have tended to look hard, try using a clear, frosted gloss over the top: being light reflecting, these glosses have a softening effect. A trick used by make-up artists is worth trying: put a touch of white highlighter above the middle of the top lip to give definition to the shape.

JOAN PRICE

Try it out

Any reader who is a bit colours can ask any Estée Lauder consultant at any of the over 300 stores selling Estée Lauder products to give her a three-minute make-up, using these colours. All the consultants are trained to do this. It is quite free, does not involve a complete cleanse and re-make-up—it is more designed to add the new colours to the face and to show how they should be applied.

Any readers who want to see how perfectly the new Estée Lauder colours enhance and complete the autumn look can go along to any of the fashion shows that Jaeger will be holding at their Regent Street branch from October 3 to October 7. The shows are entirely free, start at 11.30 and 2.30 each day and will feature the Jaeger autumn fashion collection. Estée Lauder will do the make-up for the models and will have consultants available on the first floor to provide advice and a three-minute make-up, but you will not be able to buy the products at the same time.

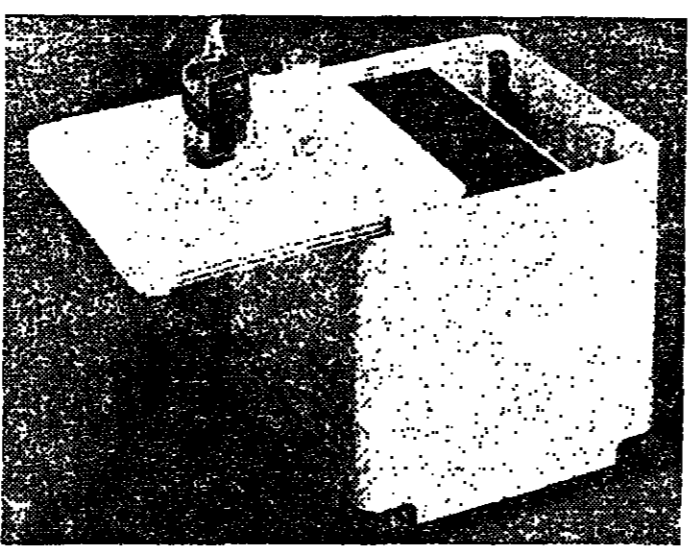
Bar one

MOST bars, whether designed for offices or home, look awful. There's something about the idea of designing a bar that seems to corrupt most designers' sense of taste. Nonetheless a unit that prettily and efficiently houses drinks, ice, mixers and the like is obviously a great asset — too many journeys to fetch all the required ingredients aren't conducive to connected conversation and I liked this mobile drinks unit because it seems to me to do everything that a mobile bar unit should and look good as well.

Called Igloo, it is made from white, black or brown ABS plastic and runs on castors so as to make it easy to move around within the distance allowed by the flex.

Inside is a fully insulated refrigerator where wine, spirits, soft drinks and mixers can be chilled, an ice-making box and some non-refrigerated space for bottles and glasses with a slide out shelf.

It is designed and made in Italy but in this country is distributed by Mines and West, Downley, High Wycombe, Bucks. It is put out primarily for offices but I think it could be equally useful at home. Find it in office and contract furniture suppliers or contact Mines and West for stockists. It is £195, exclusive of VAT.



Perennial pans

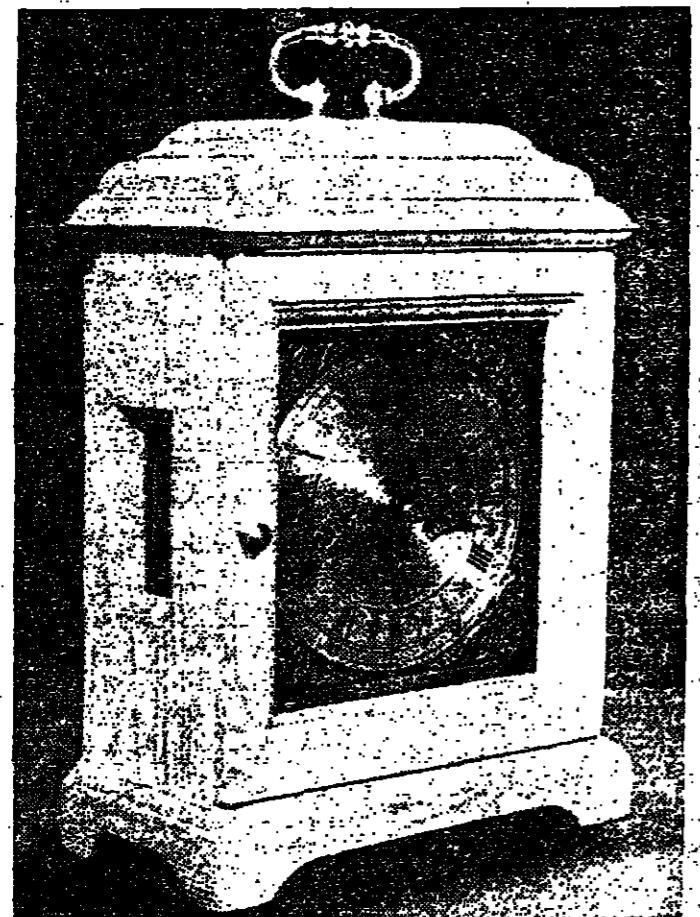
SAUCEPANS HAVE become so expensive that really good ones are almost like heirlooms — and cost just about as much. A good, simple range that is not too expensive but is nonetheless sturdy and long-lasting is David Mellor's own range of heavy-gauge aluminium saucepans.

They were first designed by him way back in 1969 to coincide with the opening of his shop at 4, Sloane Square, London, SW1.

In the early days quantities were rather small but the demand proved great enough to warrant organising production on a larger scale at Russell

Rimes, who now not only make them in greater numbers but also have increased the range of sizes.

All pans are of heavy-gauge, top-quality aluminium, with thick machined bases to ensure an even distribution of heat. The handles and knobs are of English ash. Sizes start at a 6 in diameter milk pan for £10.25, then there are three shallow saucepans with lids, 6 in, 7 in and 8 in for £11.85, £12.27 and £13.39 respectively. Finally there are three deep saucepans with lids, 6 in, 7 in and 8 in at £11.85, £12.94 and £14.05 respectively. All are, of course, available at David Mellor who will post for £1.50 extra per pan.



Strike in time

I CANNOT think of a household I've visited that doesn't own a clock which leads me to assume that almost everybody must be involved in buying clocks at some time in their lives. On the whole clocks seem to vary very little—I have a personal prejudice in favour of old ones but for those whose taste runs to the modern there are some very acceptable, though not very exciting designs around.

For those who like to feel that their clock is special, Noel Sweeney of Swindon specialises in entirely hand-made bracket clocks and because he makes for the price that a normal retailer would charge.

The clocks are approximately 14 ins high by 8 ins wide, the mechanism is German and is guaranteed for a year, and all enquiries should be directed to the fittings, like the door knob, ted.

the carrying handle and the hinges are in brass. It has what is commonly described as a Westminster chime (like Big Ben) and a little window at each side through which the striking mechanism can be viewed.

Because all the clocks are made personally by Mr. Sweeney, delivery depends upon how many orders he has in hand at the time. On average it takes him about three weeks to make a clock. There is a choice of Yugoslavian pine or English mahogany and the price is £190 for the pine, £210 for the mahogany.

If you would like to see a clock before ordering, any reader is welcome to view one at Mr. Sweeney's own home at 6, Gibbs Close, Covington, Wiltshire, to which address guaranteed for a year, and all enquiries should be directed to the fittings, like the door knob, ted.

Cooking with Philippa Davenport

Apples and pears are on the market already, but they keep well and will be with us for many months to come—the mainstays of the fruit scene throughout winter. So it seems sensible not to start using them just yet but to concentrate instead on using blackberries and the plum family. Their season is more fleeting; they will probably have disappeared from the shops by October.

FARMHOUSE CRUMBLE—serves 4-6

Sharply flavoured, wine coloured dumplings make an excellent crumble and their juiciness is nicely offset by this crunchy nutty topping.

14 lb damsons, the juice of half a lemon, 4 tablespoons soft brown sugar, 1 teaspoon allspice, 1 oz butter cut into dice. For the topping: 6 oz wholemeal flour, 1 lb butter, 1 lb Demerara sugar, 2 oz finely chopped hazelnuts.

Squeeze the lemon juice into a pie dish. Stir in the sugar and allspice and add the butter.

Wipe the fruit clean, prick it to prevent bursting during cooking, and add to the dish. Cut, then rub the fat into the flour, and stir in the sugar and nuts. The mixture will look like damp brown breadcrumbs.

Pile the crumble over the fruit, mounding it nicely in the centre and packing it down lightly. Bake for 45 minutes in an oven heated to 375°F gas mark 5, turning the heat up to 400°F gas mark 6 for the last few minutes if you want a really crunchy topping.

BRAMBLE FOAM—serves 6-8

This is a foamy light mousse mixture with delicious fruity flavour. It looks best, I think, served in individual glasses or small bowls although you can, of course, serve it in one large soufflé dish. An accompanying jug of pouring cream seems to me quite unnecessary.

1 1/2 lb blackberries, 5-6 oz caster sugar, 2 tablespoons lemon juice, 1 teaspoon ground cinnamon, 4 teaspoons gelatine powder, 1 pint double cream, 2 large egg whites.

Wash the blackberries, put them in a shallow pan and add the lemon juice. Sprinkle on the sugar and cinnamon. Cover and shake to distribute the sugar evenly. Cook over gentle heat for 10-15 minutes until the blackberries are very soft indeed.

Turn into a liquidiser and blend to reduce to a puree, then rub through a sieve to extract the pips. Soak the gelatine in 3 fl. oz cold water for 5 minutes, then dissolve over low heat. Thoroughly blend the gelatine into the fruit puree and refrigerate for 15 minutes until quite cool.

Whip the cream softly and fold it into the mixture, then refrigerate again until quite cold. Whisk the egg whites until stiff, fold in the bramble cream, spoon into glasses, bowls or a dish, cover and refrigerate until set.

BAKED GREENGAGES—serves 4

Be sure to use real green-proof dish. Spread each slice gages for best results—not the yellow plums some greengrocers encourage one to believe to be greengages.

6-8 greengages, 3 oz unsalted butter, the zest of a large orange, 1 teaspoon ground cinnamon, 4 slices currant loaf (NB: not malt bread—the texture is too dense), 24 tablespoons brown sugar, 4 tablespoons cream.

Soften the butter and mash the orange zest and cinnamon into it. Use some of the mixture to grease a baking tray and generously or shallow oven.

Cover with foil and bake at 375°F gas mark 5 for about 30 minutes until the bread is golden and crisp and the fruit very tender and deliciously impregnated with sugar butter and spices. Pour on the chilled cream and serve immediately.

SPICED PLUM PUDDING—serves 4-6

This is not a heavy Christmas affair but an autumnal version of summer pudding: cheap, easy and delicious. Stoning the fruit is important or the pudding is difficult to slice easily.

2 lb plums, 4 or 5 cloves, 4 inch cinnamon stick, 1 large orange, about 3 oz each soft brown sugar and caster sugar, about 8 slices day-old white bread.

Halve and stone the plums. Put them into a saucepan and add the finely grated orange zest. Break the cinnamon into 2 or 3 pieces, tie up in butter muslin with the cloves and add to the pan. Pour on the orange juice. Cover and stew or bake in an oven heated to 325°F gas mark 3 until the fruit is quite tender. It is best to add the sugar towards the end of cooking time because it tends to toughen the skins of the fruit.

Line the base and the sides of a 14-2 pint pudding basin with the crustless bread. Remove the spice bag from the cooked fruit, squeezing it well to extract maximum flavour. Pack the fruit into the bread-lined basin: using a slotted spoon ensures a high proportion of fruit to liquid goes into the pudding. Cover with a bread lid, top with a plate that fits the basin neatly, weigh down and chill for several hours.

Run a palette knife between the bread and basin sides to loosen the pudding, and invert onto a serving dish. Baste the pudding with the reserved juices so the bread is well tinted all over, and serve any leftovers in a sauce-boat.



Legs eleven

FOR autumn and winter parties the little black dress is coming back in a big way. The little black dress, however, needs a little dressing-up if it is to look as sophisticated and as glamorous as it's meant to. Lovely tights are, I think, an essential accessory and just in time both Mary Quant and Christian Dior have brought out some stunning tights.

Photographed, above, are Mary Quant's Dotty tights (I can't tell you where to find the legs!). Though Mary Quant first introduced them over here ten years ago the demand for them has now come full circle and here they are in black, pink, moleskin or mint fondant. They sell for about £1.30 a pair and are available from a large selection of stores, including Selfridges, Kendal Milne, Manchester, Rackhams of Birmingham and all branches of Lewis's. You can also buy them from Fenwick's of Bond Street and they will post for 30p p+p extra (or 50p p+p for six pairs).

STETHOSCOPE
WITH GRAMMINS
PLATED FITTINGS

A PRACTICAL AND INVALUABLE AID FOR MEDICAL STUDENTS CAN NOW BE HAD FOR LESS THAN £5.25

82, HIGH STREET, LONDON EC7 7LD

SO many readers write in wanting to know if Philippa Davenport has collected all her recipes together into one book that I thought they might like to know that just a few of her recipes are printed in a fascinating new cookery book, Food For Our Times, published this week by Hodder and Stoughton. The book is introduced by Della Smith, of the Evening Standard, and there is hardly a cookery writer of note who has not contributed to it, from Robert Carrier to Elizabeth David.

The idea behind Food For Our Times was that a cookery book consisting of recipes from our leading cookery writers

could make two valuable contributions to society. Firstly, by offering economical ideas for using food so that those who use the book will themselves come to approach food in a less extravagant, more thoughtful way and secondly, much of the money raised by the book sales will go to help Oxfam's work overseas, in particular that section of their work that is concerned with the production of food in the Third World.

Not all the recipes seem to me very economical but there are plenty that are. I shall certainly be trying out several of the ideas. In particular, Philippa Davenport's Nutty Cabbage and Very Fussy Stew. The book is on sale now for £4.95.

ARTS/COLLECTING

Critic's Choice at the ICA

The critic's lot is not an easy one: he may fall as much by seeking to please as by damning his victim, offend certain of his readers by treating them to serious and specialised analysis, others by his apparent flippancy or casual journalism. His sins of omission are laid against him, his lightest opinion challenged, his good faith impugned, his commitment assessed, usually at too much or too little, seldom just so: which is only to say that every time, he puts his name to a piece he sticks his neck out—as so he should. Artists like to be attacked in print as more

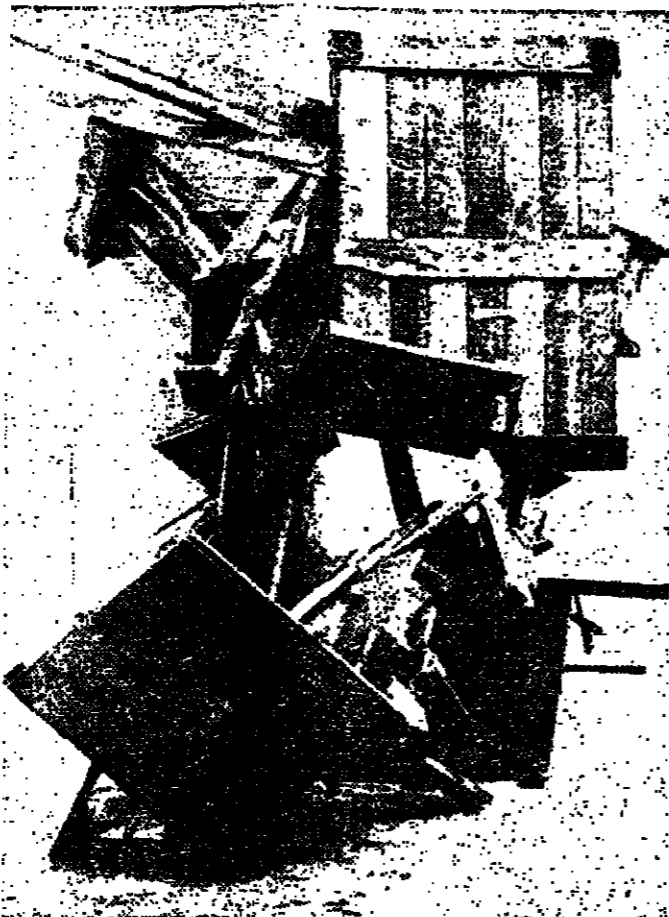
ART

WILLIAM PACKER

than they like to be ignored, but in truth one has yet to be snuffed out by an article: it is the critic who must beware.

And, given the chance to show the world where his heart lies, what his principles are, what are the standards of excellence by which he finds others wanting, no critic dare refuse. He must make his case, shave his neck, and kneel patiently for the blow. On and off for 20 years Foots offered their galleries to various critics on just these terms: a useful and salutary programme: now the ICA has revived it, this the first perhaps in an endless series, with John McEwen of the Spectator, a man yet to be fairly accused of pulling his punches, the first of us to mount the scaffold.

He acquits himself well, though his head and neck are not his: his is an orthodox defence, entirely familiar: there are no surprises, no proteges, the demonstration simply of work of high quality, the fact that most of the artists are well established beside the



Mixed Media by John Panting

point. This must disappoint many people who feel that yet another opportunity for adventure, experiment, commitment has been wasted, that none of us is any further ahead than before. The point that the commitment is to actual achievement is not taken, and the critic is again condemned. There can

be no such thing as a safe show. His selection, nevertheless, is idiosyncratic, qualified in many cases by personal loyalties of various kinds, social, national, even fraternal. (There is, of course, no rule which says that the critic should not make friends with good artists: and with hundreds to choose among,

a group of 18 is hardly a definitive company.) This is no statement on the condition of the nation's art, but a partial and interested view. It does include, however, a number of typical works by several of our better artists, and makes connections between them that are as helpful as they are unexpected. The hang in one instance puts John Hoyland, about whom I shall have more to say when I review his latest exhibition, alongside Ivon Hitchens and John McLean, the one an older artist who is often too lightly dismissed, the other younger and as yet unsung; and the three paintings together suggest fresh and intriguing thoughts on British gestural abstraction: across the same space, John Walker, Howard Hodgkin, Stephen Buckley, and John Panting, are all strongly represented, the last by an extraordinarily vigorous piece made only shortly before his untimely death four years ago. They make a similarly coherent group.

So it can't be said that the gallery Lawrence Preece, showing a large painting-cum-installation on which he has been working for a number of years, a real structure with actual devices shifting ambiguously against their images in the illusory space beyond the picture plane, faces a large relief by Martin Naylor with an unexpected complementary sympathy: two works of very different kinds, but at ease together.

Not everything works so well, and certainly there are one or two artists chosen whom few of us might have called: it is easy to disagree with any selection, but the implied question: whom then would you have chosen?—a face every visitor, a stimulating question that we each should try to answer. The exhibition continues until October 7.

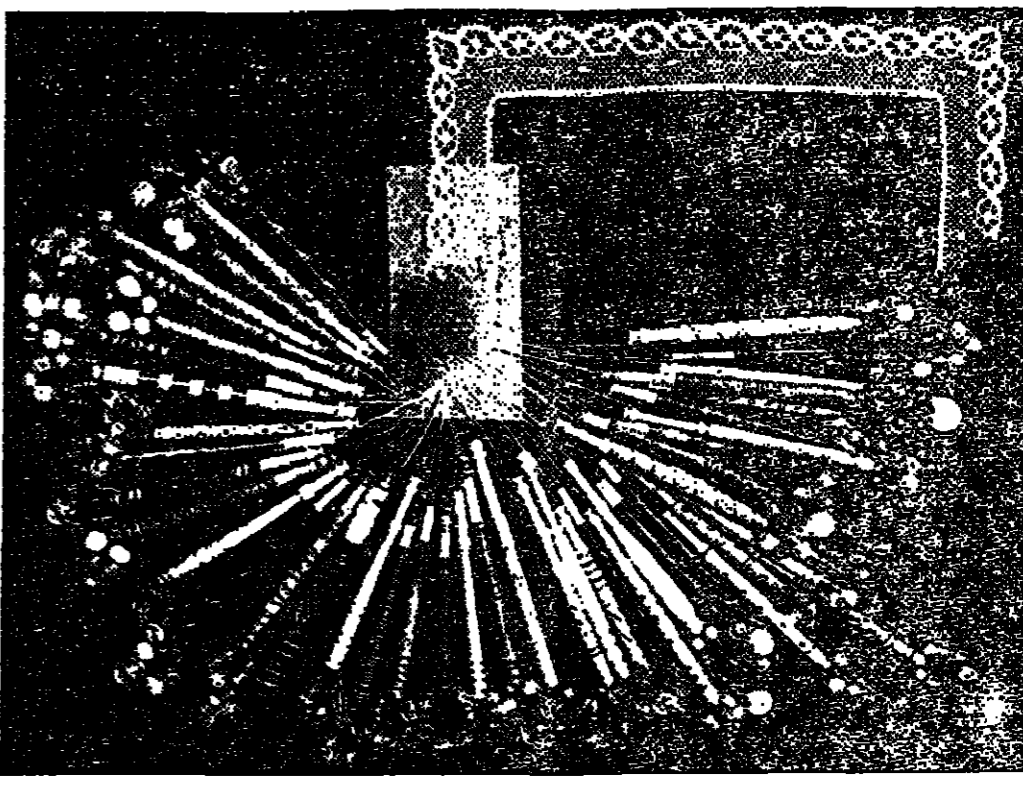
Lace and bobbin

WHEN I RAN an antique stall some eight years ago in the Five Centuries Fair in London's Kingsley Street (now swallowed up in the Carnaby Street complex), my neighbour there, a charming woman named Sylvia, specialised in old lace. It was considered quite unusual, if not a trifle strange, although her stand was full of exquisite pieces of creamy lace and linens, pretty pink lace parasols, gossamer veils, and sultry black mantillas and delicate fans, one of which I seem to remember I gave to her in return for an item more suited to the bulky Victoriana of my stand.

Although lace sellers are still limited, and those that exist mainly interested in costume lace for "breaking up" into trimmings or using with other antique fabrics to make up into full-scale outfits, interest is on the increase. A great deal of lace gets into the costume and textile sales at Phillips Blenheim Rooms, and Christie's South Kensington, where a typical lot might be a bundle of 19th century costume lace including a Brussels point de gaze bertha, a pair of Honiton pocket trims, collar and cuff sets, three bonnet veils, Valenciennes edgings, mittens and a crochet purse.

More museums are giving space to lace displays too, but probably the greatest phenomenon is the resurgence of interest in making lace. The Lace Guild, whose nearly 2,000 members include a large percentage of specialists in needlepoint, bobbin lace (Bucks, Beds, Honiton and Torcross), and the allied tatting, crochet and macramé, was only started some two years ago. Anyone who collects or deals in lace, or just loves it for the elegant craft it is, can join. Details for sale to the Secretary, Mrs. Barbara Wilson, Greenacres, Vache Lane, Chalfont St. Giles, Bucks, or send £4, sterling only, for the annual subscription, which includes the very professionally produced magazine *Lace* and pattern supplement.

At its most basic, a description of the two main types of handmade lace is that needlepoint is lace made with needle and thread in buttonhole stitch, and that bobbin lace (often called pillow lace, although other types of lace are made on a pillow), is made from



There are daily demonstrations of lace making at Lace 78, an exhibition of hand-made lace which opens at Sanderson, Berners Street, London, W.1, on Thursday until October 14, before going to Harewood House, Leeds, October 21-29. Illustrated is a lace edging being worked with 45 bobbins on a lace pillow.

threads attached to bobbins which are small elongated wooden or bone reels on which the thread is wound. Sometimes the two forms of working are combined, a net or mesh of fine holes made with bobbins, and a design embroidered on it afterwards.

There are various tips for identifying hand-made lace from machine. Hand-made lace will gather into a soft roll, smooth to the touch, machine lace is stiffer, the mesh more regular than the hand-worked variety.

COLLECTING

JUNE FIELD

Machine lace unravels quickly, it is almost impossible to unpick needlepoint because there are so many knots. Old laces were made with threads not longer than 20 inches due to the limitations of hand spinning, and the joints can sometimes be seen.

As Mrs. Joan Buckle, lace teacher and specialist in Bucks point lace, the very fine variety, reminded me, the only way to really understand the complexities is to see lace being made. A rare opportunity to do this will be at the Exhibition of Hand

Made Lace at Sanderson, Berners Street, London, W.1, the first major event of its kind, organised by Mrs. Buckle under the auspices of the Lace Guild. Opening on Thursday until October 14, when it goes to Harewood House, Leeds, from October 21-29, there will be lace making demonstrations by members every day. Some of the exhibits, wedding dresses, head dresses, lingerie, collars, samplers and table linen, etc., will be for sale.

Also included in this incredibly fascinating display of modern lace, for which I predict overwhelming attendance, will be two lace handkerchiefs lent by the Queen. These were made for the late Queen Mary when she was married in 1893.

If you want to put in a bid to buy 16 lace-trimmed handkerchiefs that once belonged to Queen Mary's mother, Princess Mary Adelaide of Cambridge, who was married to Francis Duke of Teck, then they are in the textiles sale Phillips are holding of lace items on Thursday, the same day the exhibition opens (estimate £75-£100).

Princess Mary's delightful Brussels lace fan with mother-of-pearl sticks is also in the sale, with an estimate of £40-£60, a worthwhile buy if only for the distinguished provenance.

Other peripheral lace objects include a 19th century lace maker's lamp, and a magnificent

collection of 400 lace-maker's bobbins amassed by a gentleman from Newport Pagnell, Bedfordshire over the last 15 years. Most of the carved, stained and spangled bobbins carry typical loving messages and mottoes such as "Kiss Me Quick And Don't Be Shie," and the rarer "W. Bull hung 1871," a relic of the days when public hangings were a holiday affair. Mr. Bull was convicted of the murder of Sarah Marshall at Little Staughton. Particularly intriguing are the "mother-in-law" bobbins, which have a hollow shank containing a miniature bobbin. The "baby" would be squeezed through the gap inside when the material was supplied.

Estimates range from about £20 to £100 a lot, which vary from one to 20. Illustrated catalogue 50p post free from Anne Marie Benson, Phillips, 7 Blenheim Street, New Bond Street, W.1, telephone 01-629 6602.

What to read: *Lace* by Virginia Churchill Bath (Studio Vista), Margaret Maidment's *Manual of Hand-Made Bobbin Lace* (Pitman, reprinted Piccadilly Rare Books), Gabrielle Pond's *An Introduction to Lace*, Garstone Press, T. L. Huettner's *Lace and Bobbins—A History and Collectors' Guide* (David and Charles), and Jeffery Hopewell's *Pillow Lace and Bobbins* (Shire Albums).

THEATRES THIS WEEK . . . AND NEXT

COTTESLOE—*Lark Rise*. Revival of this delightful ambulatory production of Flora Thompson's rustic idyll, respectfully adapted. Reviewed Tuesday/Wednesday.

JEANNETTE COCHRANE — *Much Ado About Nothing*. Pretty production by the National Youth Theatre, with very promising Beatrice and Benedick. Reviewed Tuesday/Wednesday.

ROYAL COURT — *Inadmissible Evidence*. Nicol Williamson even

better than he was in 1964 in this fascinating play. Reviewed Wednesday/Thursday.

ROYAL EXCHANGE, Manchester—*Sisters*. Disappointing new piece by David Storey about a brothel. Reviewed Wednesday/Thursday.

SHAFTESBURY—*Dracula*. The standard 1927 text played with self-conscious mockery. Terence Stamp much too decent as Dracula. Smashing Edward Gorey décor. Reviewed Thursday/Friday.

NEW END, Hampstead—*Tribute to Laila Lemmon*. Hollywood survivor Gloria Grahame comes fighting through a stodgy piece set in a fan club for Hollywood survivors. Reviewed Friday.

Peter Brook's production of *Ubu Roi* comes to the Young Vic on Monday for a short run. On Tuesday, the Theatre Upstairs at the Warhouse, opens at the Warhouse on Thursday; and a new *Emigrants*—from Ireland this time, not Pakistan—and on *Vladimir*, opens at the Aldwych Wednesday at Hampstead Glee

Joo deals with Immigrants. Also on Wednesday, T. S. Eliot's seldom seen *The Confidential Clerk* opens at the Everyman, Cheltenham. The RSC (who are responsible for *Ubu*, though it is Peter Brook's own company from Paris and places beyond) have two more openings at the end of the week. A new piece by Stephen Pollakoff, *Shout across the River*, opens at the Warhouse on Thursday; and a new *Emigrants*—from Ireland this time, not Pakistan—and on *Vladimir*, opens at the Aldwych Wednesday at Hampstead Glee

see the Wasa, that amazing wooden war-ship which was launched 400 years ago only to topple over and sink within sight of the shipyard. The Wasa now stands glistening under a constant stream of wood impregnated liquid (to stop the timbers cracking) in its own museum, a monument to human pride and stubbornness, but also an invaluable piece of historical evidence.

From the Wasa it is only a short stroll to the Skansen open-air collection of old Swedish buildings, removed to the capital and rebuilt in as near as possible their original forms. Skansen covers a considerable area so, if you want to enjoy it to the full, leave plenty of time.

Every visitor to Stockholm at some time or other goes off to

Sweden's overall image with the British is, of course, one of expense. Like many images this one is a mixture of fact and fiction. Petrol is much the same price as in the UK, making driving a much more bearable experience there than in France where you might just as well connect a constant flow pipe between your wallet and toll booths and petrol stations. Food bills, however, can often come as a shock. The sort of basics that a British self-caterer will buy—bread, cheese, cold meats—are worryingly expensive. Expect to pay 50p for a large bag of crisps. Wine, available in restaurants and state owned liquor outlets, is around UK prices but British liquor well over twice the price. That, and the threat of Swedish drink/drive regulations kept me dry for most of a one-week stay.

If you are self-catering Swedish customs allow you to take in 15 kilos of food but no vegetables. Officially, no tea or coffee can be taken in but even if this were enforced, which I doubt, Swedish shop prices for coffee at least are no more painful than in the UK.

I self-catered at Pinnarpä, a small collection of wood built chalets in a pine clad lakeside setting about midway between Gothenburg and Stockholm. The chalets are simple, but have the essentials (hot and cold water, central heating, full cooking facilities and bathroom, with a shower not a bath). It is a splendid centre for walks and taking canoe trips on the lake, but you do need reasonable weather to enjoy it completely.

We had progressed via Felixstowe to Gothenburg on one of the Tor Line ships, modern models of Scandinavian cleanliness and efficiency. The trip is a full lunch-time to lunch-time journey so the comfort of the ship is important. Don't miss the lunch-time buffets of assorted herring concoctions, cold meats and salads (there

are meat balls and sausages for the kids). The dinner menu looks interesting but your reporter must apologise to deciding that in the Force Sweden that blew each way the crisp comfort of Tor Line sheets was more appealing than the culinary delights of Tor Line food.

Anyway, you need a clear head for dealing with the parking problems of Gothenburg, a pleasant coastal city but more of a gateway than a resting place. If you have children, however, it is well worth taking them to the Liseberg a huge and well run amusement park which lacks the shabbiness that so often creeps into its British equivalents. How the Swedes manage to run such a place in what must be a very short season I do not know, except that it is not a cheap place to visit.

Take a wire coat hanger to Sweden

SO THERE I WAS, on my back underneath the car in the pouring rain trying to sew back the red hot exhaust pipe with a wire coat hanger. It must have looked quite a good job in the end because the Volvo mechanic in the next town thought that this was some new form of fixing which came as standard with all British-made Fords.

There's nothing like a breakdown for getting to know the natives and, after my incident on the road between Jankoping and Ulricehamn, I can report that the Swedish natives are friendly. My Volvo mechanic asked only Kr10 (a little over £1) for what took him half an hour to fix and the eventual Ford dealer was embarrassed to present me with a bill for £3, adding the words: "You take this Ford money back they will give you."

For years I have avoided the

TRAVEL

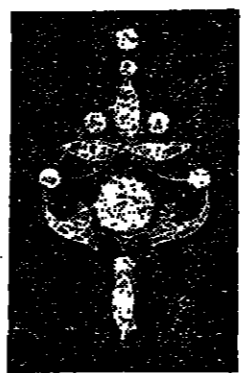
ARTHUR SANDLES

Scandinavian countryside, sticking instead to the major business centres. Perhaps it was the thought that relaxation means sunshine and in my mind Sweden meant ice and elks (and Volvo). Well, I saw no ice—not even in a glass, but more of that later—and an abundance of elk. I didn't actually see much sunshine either, but the clouds provided a backdrop to some of the most spectacular scenery in the world.

Although internal communications in Sweden are good it is well worth taking a car if you are going to see the best of that countryside. Once you get away from the routes to the main urban centres, driving in Sweden can be a joy. Well-maintained roads make gentle sweeps through pine forests which open from time to time to reveal shimmering lakes, red painted villages and rugged rocky outcrops.

We had progressed via Felixstowe to Gothenburg on one of the Tor Line ships, modern models of Scandinavian cleanliness and efficiency. The trip is a full lunch-time to lunch-time journey so the comfort of the ship is important. Don't miss the lunch-time buffets of assorted herring concoctions, cold meats and salads (there

Spencers OF RETFORD



A good diamond pendant To be sold on 21st September

FORTHCOMING SALES RETFORD SALEROOMS

THURSDAY 21st SEPTEMBER
Important diamond jewellery, including rings, brooches, ear pendants; watches; silver; Sheffield and other plate.

WEDNESDAY 27th SEPTEMBER
Georgian and later furniture and works of art. Antique and modern weapons.

WEDNESDAY 4th OCTOBER
Victorian and later furniture and works of art.

THURSDAY 5th OCTOBER
European ceramics including a large pair of Vienna vases, an extensive Minton Japan pattern dinner service, a large Sevres ormolu mounted vase.

THURSDAY 12th OCTOBER
Oil paintings, watercolour, drawings and prints.
Catalogues 65p each by post (applications to be prepaid)

HENRY SPENCER AND SONS LIMITED,
28, THE SQUARE, RETFORD, NOTTINGHAMSHIRE.
TELEPHONE (0777) 766767
IN ASSOCIATION WITH SOTHERBY'S

Glendinings

Specialists in the Sale by Auction of Coins and Medals

7 Blenheim Street, New Bond Street, W.1 Telephone 01-493 2445

WEDNESDAY, 20th SEPTEMBER, at 10 a.m.

ENGLISH & FOREIGN COINS

also Historical Medals, Numismatic and Antiquarian Books

Illustrated Catalogue 15 pence—Price £1

TUESDAY AND WEDNESDAY, 19th and 20th SEPTEMBER, at 11 a.m. each day

ANCIENT, ENGLISH & FOREIGN COINS

in gold, silver and copper

Illustrated Catalogue 15 pence—Price £1

WEDNESDAY, 25th OCTOBER, at 10 a.m.

NAVAL & MILITARY DECORATIONS & MEDALS

including a Victoria Cross, crown for Gallipoli awarded to Sgt. A. Richards, 1st Bn. Lancashire Fusiliers.

Catalogue in course of preparation—Price 40p

WEDNESDAY, 26th NOVEMBER, at 11 a.m.

An Important Collection of ENGLISH HAMMERED SILVER CROWN PIECES

(Elizabeth I to Charles I)

the property of a West Country Collector.

Illustrated Catalogue (in course of preparation) 15 pence—Price £1

THURSDAY, 9th NOVEMBER, at 10 a.m.

A Collection of IRISH COINS and the Collection of ENGLISH, COLONIAL & FOREIGN COINS

Ranched by the late Harold J. Armstrong of Leeds.

Illustrated Catalogue (in course of preparation) 15 pence—Price £1

Further Catalogues for Sales of Coins and Medals are now in course of preparation. Collectors desirous of selling this year should contact Glendinings and Co. promptly.

Commission to Vendors—30%

PERSONAL

You are welcome to view our AUTUMN RANGE OF FURS

at our coffee mornings from 25th-30th September at 11.00 a.m. Please phone 01-734 0777 for your invitation.

K. West Furs off Regent Street

VIVITAR LENSES

Cameras, Flash Guns, Enlargers and Photo Accessories. Unrivalled stocks, and the best prices at the world's largest specialist.

EURO FOTO CENTRE

High Road, Cowley, Oxfordshire, OX4 2JZ

West Oxford, Oxfordshire, OX4 2JZ

TRAVEL

Petit Monde—

maintenant en France!

We now introduce Les Arcs (home of ski) and the small world of ski resorts. Well, we have the chance to see the world's most beautiful ski resorts. We have the chance to see the world's most beautiful ski resorts. We have the chance to see the world's most beautiful ski resorts.

SMALL WORLD
5, GERRARD STREET, LONDON WC2
01-493 7828 (London)
01-493 7828 (London)

117 GROUP FUND S.A.
LUXEMBOURG, 14, rue de la Loi
Commercial Register
LUXEMBOURG Section No. 9.216

NOTICE OF GENERAL MEETING
A General Meeting of the Company will be held at 10 a.m. on Monday, 25th September 1978 at 14, rue de la Loi, Luxembourg.

1. To consider the reports of the Directors of the Company for the year 1977 and the Consolidated Statement of Operations for the six months ended 30th June 1978.

2. To approve the payment of an interim dividend of 10 pence per share in respect of the year 1978 payable on or after 25th September 1978 to shareholders of record on 25th September 1978.

3. To approve the payment of a final dividend of 10 pence per share in respect of the year 1978 payable on or after 25th September 1978 to shareholders of record on 25th September 1978.

4. To transact any other business.

The shareholders of the Company are asked to attend the meeting in person or by proxy. The proxy form and the necessary documents will be sent to the shareholders of the Company by post.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

HOTELS

HARROGATE

Old Swan Hotel

BRITAIN'S MOST DISTINGUISHED CONFERENCE HOTEL

AA Conference Secretary

150 Rooms 1200 sq. ft. or more Suite

Plenary Conference 200 sq. ft. or more Suite

Banquet Dining Room 100 sq. ft. or more Suite

3 Restaurants + 11 bars + 11 p.m.

TELEF 67822 OLD SWAN HARROGATE

One of Britain's PRESTIGE HOTELS

COMPANY NOTICES

117 GROUP FUND S.A.

LUXEMBOURG, 14, rue de la Loi

Commercial Register

LUXEMBOURG Section No. 9.216

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at 10 a.m. on Monday, 25th September 1978 at 14, rue de la Loi, Luxembourg.

1. To consider the reports of the Directors of the Company for the year 1977 and the Consolidated Statement of Operations for the six months ended 30th June 1978.

2. To approve the payment of an interim dividend of 10 pence per share in respect of the year 1978 payable on or after 25th September 1978 to shareholders of record on 25th September 1978.

3. To approve the payment of a final dividend of 10 pence per share in respect of the year 1978 payable on or after 25th September 1978 to shareholders of record on 25th September 1978.

4. To transact any other business.

The shareholders of the Company are asked to attend the meeting in person or by proxy. The proxy form and the necessary documents will be sent to the shareholders of the Company by post.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Barque Générale ou Luxembourg, 14, rue de la Loi, Luxembourg.

Building societies look to the Continent

BY TIM DICKSON

THE PROSPECT of Bradford Bingley Building Society, a Belgian buyer in Bruges, may not be laughable—if not bizarre. After all, few people in this country deny that building societies are both unique and, in a sense, British. What is the attraction? The answer lies in the fact that building societies are not subject to the same financial constraints as banks. They are not subject to the same regulatory requirements, and they are not subject to the same competition from banks. This gives them a unique position in the financial system.

Such a development, however, is not possible, albeit extreme, sequence of the moves recently being pursued by building societies to prepare for what they consider to be a natural and inevitable expansion across European frontiers. Why do building societies want to go continental? The answer lies in the fact that building societies are not subject to the same financial constraints as banks. They are not subject to the same regulatory requirements, and they are not subject to the same competition from banks. This gives them a unique position in the financial system.

It should, of course, be noted that these are still very early days. As it stands now, building societies are only allowed to lend on short and leasehold property, and they are not permitted to expand into other areas of the financial system.

are, for example, the thorny questions of exchange controls and currency fluctuations, obstacles which seem more likely to inhibit the transfer of assets from one country to another. Again, if self-financing operations, apart from the seed capital to set up a new branch, do prove essential, should building societies adapt to continental methods of housing finance or should they plant their own unique system amidst the jungle of EEC financial institutions?

Local role

Building societies would ideally like to take deposits abroad in the same way as they do in the UK. This, however, is just one of the many questions being studied by two BSA research groups set up this year.

Building society names are redolent of their provincial origins and even today often reflect a specifically local role. Most of them also have a strong parochial image. But just as many local societies have over the years become national, so some of these now feel ready to face the challenge of Europe.

Current developments should be seen against the background of contact with similar institutions in Europe since Britain joined the EEC. This has been made increasingly possible through the Building Societies Association's membership of two European federations.

By contrast, members of the

European Federation for Savings and Loan Institutions for Construction are drawn exclusively from specialist finance institutions which derive their funds from personal savings. In this context British building societies, with total assets of more than £360n, are the largest group followed by the German Bausparkassen (building-savings societies).

It is also worth remembering at this point that owner occupation is more popular in the UK than elsewhere in Europe. About 53 per cent of dwellings in the UK are currently owner occupied, against roughly 45 per cent in France, and just over one-third in West Germany and Holland. In Britain home buying has grown, partly because of rising property values and partly because of rising interest rates.

It is no coincidence, therefore, that the UK's housing finance system is admired on the Continent for its relative simplicity and its large number of skilled staff. But it is an open question whether Europeans will suddenly rush to buy a roof over their head or alternatively remain unimpressed by our relatively almost obsessive preoccupation with home ownership.

While British building societies are actively exploring the idea of moving into Europe, there is also a strong commitment to the concept, described as a "pervert", but which can be a "weirdo". We will not be telling them anything, says the Beeb. "We will leave it to innately British sense." And then, he added hastily, "We will not, of course, be broadcasting it live."

First Directive on Credit Insti-

for minimum standards permitting financial institutions to operate at first—as insurance companies and banks, which have operated beyond these shores for a very long time.

Under the First Directive the UK Government is entitled to defer action for up to eight years but Mr. Tugendhat expressed the hope that action would be taken considerably sooner.

Although it is by no means certain that Community legislation is essential, a binding directive (assuming there is not another deferment clause) would at least force a change within 18 months to two years—in British law. Parliament is competent to take the initiative in this matter but the present Government is thought unlikely to do so by the EEC. Assuming the necessary changes are ultimately enacted, discussion of the precise form which overseas branches might take will then begin in earnest.

At the moment it is probable that European offices would be financially independent of their UK offices. This means that loans in EEC countries would be funded exclusively from local deposits and that the only central costs would be the expense of setting up the organisation. In the longer term a common EEC currency unit would certainly break down some of the existing barriers and make cross-border loans perfectly feasible.

To many people this is unrealistic, but there is enough active discussion taking place at the moment on the subject of monetary union to suggest that something positive could emerge.

It is very important that British building societies should have an opportunity to make the same kind of contribution

to the British economy—obviously not on the same scale at first—as insurance companies and banks, which have operated beyond these shores for a very long time.

Under the First Directive the UK Government is entitled to defer action for up to eight years but Mr. Tugendhat expressed the hope that action would be taken considerably sooner.

Although it is by no means certain that Community legislation is essential, a binding directive (assuming there is not another deferment clause) would at least force a change within 18 months to two years—in British law. Parliament is competent to take the initiative in this matter but the present Government is thought unlikely to do so by the EEC. Assuming the necessary changes are ultimately enacted, discussion of the precise form which overseas branches might take will then begin in earnest.

At the moment it is probable that European offices would be financially independent of their UK offices. This means that loans in EEC countries would be funded exclusively from local deposits and that the only central costs would be the expense of setting up the organisation. In the longer term a common EEC currency unit would certainly break down some of the existing barriers and make cross-border loans perfectly feasible.

To many people this is unrealistic, but there is enough active discussion taking place at the moment on the subject of monetary union to suggest that something positive could emerge.

It is very important that British building societies should have an opportunity to make the same kind of contribution

to the British economy—obviously not on the same scale at first—as insurance companies and banks, which have operated beyond these shores for a very long time.

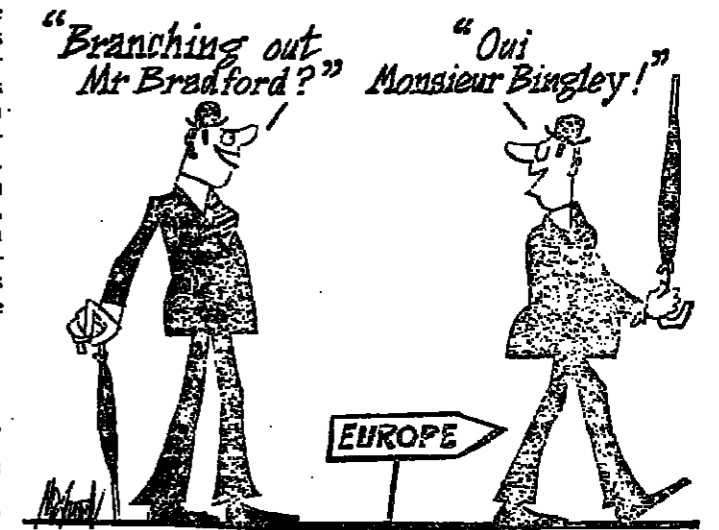
The question of how building societies might fit in with some of their continental competitors can best be demonstrated by looking at continental methods of financing house purchases. In West Germany the major institutions are the Bausparkassen. These operate a closed system where most of the money comes from people about to obtain loans or people who have obtained loans in the past. Savers who have no interest in house purchase are not admitted.

Market forces

Because it is self-financing, the system can be divorced from market forces. This, of course, is in contrast to the UK which operates a variable mortgage rate and can allow building societies to borrow short and lend long without running too much risk of serious cash flow problems.

Potential borrowers with the Bausparkassen agree a fixed sum towards which they save each month. After 18 months they become eligible for a loan provided they have saved one-third of the contractual sum. In Germany the total advance is usually a considerably smaller percentage of the purchase price than in the UK. Borrowers are therefore generally forced to top up either from a savings bank (which issues variable rate loans) or mortgage banks which issue fixed rate 5-7 year loans. While in Germany the Bausparkassen only lend if they have the available resources, in France the date when a loan will be made is fixed in advance.

French house purchase finance can either be obtained through the semi-nationalised banks, like the Credit Foncier de France, or through deferred



credit societies. The latter are similar to the German system in so far as they are mutual and the saver agrees to subscribe for a given period. Halfway through this he is entitled to a loan which is repaid by maintaining the monthly payments through the remainder of the agreed period.

In Denmark people buy houses through bond issues. These are made available to borrowers by banks and mortgage credit institutions which then sell them in the market, normally at a discount, in order to obtain funds.

Although the current emphasis is obviously on UK institutions spreading their wings, it should also be remembered that European developments will result in two-way traffic.

It is, in fact, quite difficult for a non-nationalised mortgage in this country and the incentive for French and

German institutions to invade is consequently strong.

In fact, the Bausparkassen have not deferred under the December 1977 directive and the BSA is certainly anxious that German agencies should not arrive here before UK societies are empowered to operate abroad.

The BSA will continue to press for a speedy change in the law, but, having said this, the European utopia of a single housing finance market is probably a long time away.

Tax relief and interest rate variations and the degree of Government control are just some of the deeply rooted and probably intractable problems. But the possibility of an Abbey National or Alliance (they are, at least, easily translated) somewhere in the centre of Brussels or Paris is certainly no longer a committed European's pipe-dream.

Weekend Brief

Guided tour

afraid!" The guide extended arm and thrust the old lady back on to the pavement. "You'll run you down as soon as you look at you." It was no idle chat. Two girl cyclists, long hair flying out behind them, whoshed past with not much as a sideways glance.

It was the old lady's first to Cambridge and her first back to Britain since she graduated from Scotland to Australia 52 years ago as a young woman of 25. Undaunted her near miss, she trotted on beside our guide, asking stream of questions and king copious notes in a tiny diary.

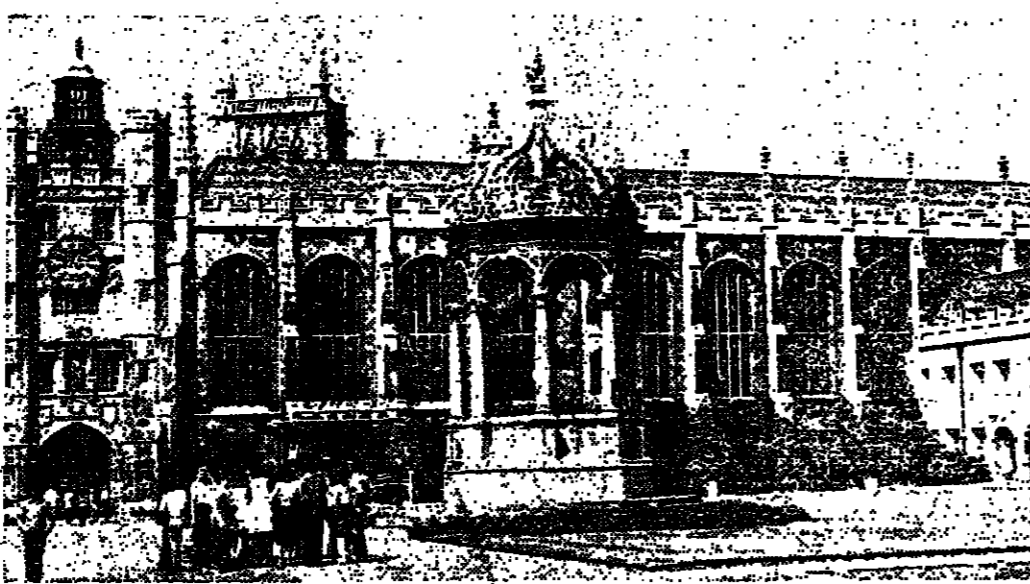
The city was bathed in sunshine last Friday when we (an assorted tourists—American, Australian, French and English), having paid the inordinately reasonable sum of £1 left Peas Hill for a two-hour walking tour of the legends.

Our guide, a gentle, cultured, middle-aged lady, pointed out petanques which are a colour feature of Corpus Christi. She carefully noted out of the corner of her eye the vicinity of two colleges. She declared that the grounds of the college grounds rivalled only by the fame of two former members, Christopher Marlowe (1564-87) and John Fletcher (1591-94).

One of your colleagues? I quipped innocently. "A Long guide," she snorted. They were their own tours—cluttering up the place. But we've used a pass system for next time. She added cheerfully. By the time we had done Corpus Christi and St. Catharine's I sighed over the Royal regalia flying at half mast at 10.30 because of the death of a college member, the ice was broken. When we had ogled the benches in King's College chapel, shed in the light from the effluence of stained glass windows, and stared at the effluence of which had inspired Wordsworth to write "Ten thousand still where light and music dwell," we were old friends.

The man in the navy cardigan turned out to be an American bishop on a sabbatical, studying theology for seven months at Trinity. One of his kids while here, is to promote a works of C. S. Lewis for his religious aspect.

The French couple from a Paris suburb finding themselves with a week to spare had decided to come to England. They had hit on Cambridge by chance and called in at the first office to see what was



A leisurely view of higher thought

The immaculately dressed French couple politely turned down a suggestion that the guide should be asked to speak more slowly for their benefit. Everything was so beautiful they were happy just to look, they said. However, they were grateful for some translation, especially when our guide adopted a Lady Bracknell tone and told us chillingly how Lady Elizabeth de Clare had lost no fewer than three husbands and a son by the time she was 39, and had founded Clare College in their memory.

We translated the guide's assertion that for obvious visual reasons the roof of King's chapel had been known as the "corner of her eye" by generations of students. The Monsieur wondered politely whether it was an expression "assez amusante en anglais."

We passed on to the University Library. Trinity, where Prince Charles' former rooms were pointed out, Gonville and Caius' and finally the Senate House, picking up snippets of information and marvelling at the beauty of it all.

At the end we stood, not wanting to break up the group. But our guide, obviously used to dealing with states of mass euphoria, pointed out some good eating places and left.

All that remained was to sit by the Cam and hope (vainly in this case) that someone might overreach himself punting and take a dip in the river.

Playing games

Buying a run-of-the-mill television programme is, apparently, not as trouble free as it may seem. The BBC, in its aggressively innovative way, has just bought the rights to an American long-standing TV series, the Match Game. This is a quiz show which, some U.S. cities have thrived at them twice a day. Match Game, which mysteriously is being named Blankety Blank for British consumption, is a formula show. The formula is that contestants are given a sentence with one word missing. They name the word they think to be right—and this is matched with words written down by six celebrities, amid witticisms and jollity.

What has happened in the U.S. is that the show has taken on an increasingly risqué tone in its evening, adult, editions. "Oh," said the Princess. "I said you could kiss my hand, not my..." would be a

pretty standard sentence for £8.7bn, giving an average value for each note of something under £5. The average value of a West German note is equivalent to £16.

In the UK the most popular note is still the £1, at 41 per cent of the notes in circulation, whereas in West Germany the most common note, representing 35 per cent of the total, is of DM 100, roughly equivalent to the British £20 note.

The preference for low denomination notes in the UK, says the Bank, has a disproportionate effect on the printing requirement since it seems to be universally true that low denomination notes have shorter working lives than higher denomination ones and so have to be replaced more often.

Even though we are still far behind the developed countries, however, there has been considerably more use of the higher denomination notes in recent years. Since 1963 the proportion of the value of the note circulation represented by £1 notes has declined from 48 to 10 per cent, while £10 and £20 notes, starting from scratch, had taken over 39 per cent of circulation by 1978.

An article in the latest Bank of England quarterly bulletin, published this week, reveals that the average British citizen requires many more notes than inhabitants of other developed countries. He also wears them out faster. It is, says the Bank of England plaintively, "a peculiarly British phenomenon." The Bank is plaintive because it is responsible for printing all the notes.

In July 1978 there were about 1.9bn "notes" in circulation equivalent to some 34 for every man, woman and child in the country. On average each note lasted for little more than a year, so that in each 12-month period 30 notes have to be printed and issued per head of population.

By contrast, the fastidious West Germans require 17 notes each, and the number printed in each year is only nine. The corresponding figures for France are 55 notes in circulation and 11 printed and issued. In the U.S. the number of notes in circulation is similar to that in the UK at 31, but are used up at half the speed, with only 15 per head printed and issued in each 12-month period.

The Bank says it cannot fully account for the disparity. However, one of the reasons advanced is that greater use of high denomination notes is made in many other countries. The 1.9bn notes in circulation in the UK have a face value of

£8.7bn, giving an average value for each note of something under £5. The average value of a West German note is equivalent to £16.

In the UK the most popular note is still the £1, at 41 per cent of the notes in circulation, whereas in West Germany the most common note, representing 35 per cent of the total, is of DM 100, roughly equivalent to the British £20 note.

The preference for low denomination notes in the UK, says the Bank, has a disproportionate effect on the printing requirement since it seems to be universally true that low denomination notes have shorter working lives than higher denomination ones and so have to be replaced more often.

Even though we are still far behind the developed countries, however, there has been considerably more use of the higher denomination notes in recent years. Since 1963 the proportion of the value of the note circulation represented by £1 notes has declined from 48 to 10 per cent, while £10 and £20 notes, starting from scratch, had taken over 39 per cent of circulation by 1978.

An article in the latest Bank of England quarterly bulletin, published this week, reveals that the average British citizen requires many more notes than inhabitants of other developed countries. He also wears them out faster. It is, says the Bank of England plaintively, "a peculiarly British phenomenon." The Bank is plaintive because it is responsible for printing all the notes.

In July 1978 there were about 1.9bn "notes" in circulation equivalent to some 34 for every man, woman and child in the country. On average each note lasted for little more than a year, so that in each 12-month period 30 notes have to be printed and issued per head of population.

By contrast, the fastidious West Germans require 17 notes each, and the number printed in each year is only nine. The corresponding figures for France are 55 notes in circulation and 11 printed and issued. In the U.S. the number of notes in circulation is similar to that in the UK at 31, but are used up at half the speed, with only 15 per head printed and issued in each 12-month period.

The Bank says it cannot fully account for the disparity. However, one of the reasons advanced is that greater use of high denomination notes is made in many other countries. The 1.9bn notes in circulation in the UK have a face value of

fast," said our Galway hero. Most nations open their oyster from the hinge side, much the simplest method. The Irish, however, approach their prey from the other side—"It's better for presentation." So Willie has a bit of a disadvantage.

A sport that requires an oyster every three seconds for practice is clearly a fairly expensive one. But as it also involves a liberal supply of Guinness or cool Chablis. It is one whose training sessions tend to end in a jolly mood. By next Saturday I may have sufficiently recovered to record the result.

Jersey drawbacks

Life as a tax exile in Jersey might sound pretty idyllic to you. It sounds pretty idyllic to me. The island is, after all, beautiful—and politically mature: too far for the Inland Revenue—and near enough for first rate restaurants—and poor enough to welcome customers to them. Its beaches are shark free—which is more than can be said for Nassau. Its plumbing is passable—which is more than can be said for Andorra. Its winters are mild—which is more than can be said for Luxembourg. And its people speak English—which is more than can be said for Liechtenstein. What's more, the sea food is excellent. And yet... and yet... there are drawbacks to residence within this demi-paradise.

Mind you, they are not necessarily drawbacks to which you and I would object too strongly. You cannot buy property freely, either—you can't build it freely, either—it has to be in the same place, and the same style, as something that is there already. That is the consequence of a policy of limiting development which is enlightened or oppressive, depending on your point of view. You cannot listen to a local commercial radio station, because there is not one—the local government thinks that it would lower the island's tone. You would not be entirely immune to modern pollution—though the occasional threat of oil on the beaches is likely to be the rattle on the roof as Concorde gathers speed somewhere over the Atlantic. You might feel swamped by tourists in the summer.

But the worst of the drawbacks, according to one fast food millionaire now living there, is one that would not necessarily occur at all to you or me. There is not any work to be done. Once you have sorted out the management of your investments—and after giving various merchant banks a whirl and discharging them as incompetents, he has turned it over to a lady clerk with 15 years in stock-broking behind her—there is nothing to be done. Even his plans for opening up a fast food branch locally came to nothing. The Government would not have it. They said it might create employment.

Contributors: Pat Walker, David Freud, Adrienne Gleeson, Arthur Sandles

Economic Diary

TUESDAY—Closing speech by Mr. David Steel at Liberal Party Conference, Southport. Post Office Engineering Union one-day conference on 17-hour week.

WEDNESDAY—Department for National Savings' monthly progress report (August).

THURSDAY—Commonwealth Finance Ministers begin three-day meeting in Montreal. Conservative Party statement on annual conference (Brighton October 10-13). Confederation of British Industry monthly council meeting. EEC finance council meets, Brussels. Mr. Albert Booth, Employment Secretary, addresses Institute of Career Officers Conference, Exeter University. Prince Charles opens World Health Organisation European Regional Committee meeting, Guildhall, London.

FRIDAY—Report on finances of the Church of England (1976-77). Sales and orders in the engineering industry (August). Bricks and cement production (August). New vehicle registrations (August).

SATURDAY—National Farmers' Union annual meeting. Car and commercial vehicle production figures for capital expenditure by manufacturing, distributive and service industries; manufacturers' and distributors' stocks; finished steel consumption and stock changes.

SUNDAY—Report on finances of the Church of England (1976-77). Sales and orders in the engineering industry (August). Bricks and cement production (August). New vehicle registrations (August).

First public offer of units in Tyndall Preference Fund

12 1/4%
Estimated Gross Starting Yield

This first public offer of units in the Tyndall Preference Fund provides investors with a very high yield, estimated at 12 1/4% gross, together with a high level of security of both income and capital. This is obviously attractive not only to those needing income to live on but to those who wish to accumulate capital by having the income re-invested.

The advantage of Preference Shares

The Fund's Portfolio consists mainly of the preference shares of nearly 100 substantial British commercial and industrial companies and investment trusts. All preference shares earn fixed dividends and the payment of their dividends takes priority over those of ordinary shareholders. The income from the Tyndall Preference Fund therefore is stable and very secure.

Since preference shares are fixed interest investments their prices fluctuate with prevailing long term interest rates so that if such interest rates fall, the shares could rise in value and vice-versa. However, there is less likelihood of fluctuation than there could be with investment in equities.

Easy to buy or sell

If you invest directly in preference shares you can, quite often find them difficult to buy and sell because they do not change hands as frequently as ordinary shares. But this does not apply to investment through the Tyndall Preference Fund. Units can be bought from the Managers or sold back on any Wednesday.

Low charges

The minimum investment in Tyndall Preference Fund is £1500 and this, together with other economies, enables costs and charges to be kept low. The initial charge is only 3% (2% for excess over £10,000).

Two kinds of units

There are two kinds of units—distribution units, on which net income is distributed twice yearly, and accumulation units in which the net income is reinvested to increase the value of the units.

You should remember that the price of units and the income from them can go down as well as up.

You should regard your investment as a long term one.

How to invest

Simply complete the coupon below and post it with your cheque to arrive not later than 24th September 1978, the closing date for this offer. The minimum initial investment is £1,500. Further investments of £50 or more may be made later.

Units will be allocated to you to the nearest higher whole number of units appropriate at the price ruling at the next Wednesday valuation following the receipt of your application and cheque. The cost of rounding up the number of units allocated will be borne by the Manager.

For your information the price of the distribution units on Wednesday 13th September 1978 was 110.2p and the estimated gross starting yield was 12.25%.

For Corporate Investors

This new fund has special attractions as a medium term investment for company funds.

Important Details

All applications will be acknowledged and your certificates will be sent within 15 days. After the close of this offer, units which are dealt in weekly on Wednesdays can be purchased at the price prevailing on the Wednesday following the receipt of the application. Unit prices and yields are quoted in most national daily newspapers.

If you wish to sell your units, the Managers will purchase them at the bid price on any weekly dealing day. Payment will normally be made within seven days of the receipt of your renounced certificate.

Distributions net of tax at the basic rate are made twice a year on 14th June and 14th December. Investors now will receive their first distribution on 14th December 1978. An initial management charge of 3% (2% in excess of £10,000) is included in the buying price of the units. A half yearly charge of 1% (plus VAT) of the Fund is deducted from the Trust's income.

William and Glynis Bank Limited is the Trustee and holds all the Trust's cash and investments on the unitholders' behalf.

APPLICATION FOR UNITS

Applicant: (Please print name)
The Tyndall Group
15 Canynge Road, Bristol BS99 7UA.
(Tel. 0274 25111, Ex. 211)

I enclose £ to be investment in distribution units of the Tyndall Preference Fund at the bid price ruling on the day you receive this application. Minimum investment £1,500. Cheques should be made payable to The Tyndall Group. A stamp of 10p is payable to recognised agents. If accumulation units required, tick here ☐

Signature (Mr, Mrs, Miss or title)
Name
Address
Full address

* I declare that I am not a disqualified person under the Companies Act 1967 and I am not a disqualified person under the Companies Act 1980.

* If you wish to make a further investment in the Tyndall Preference Fund, please tick here ☐

Offer not available to residents of the Republic of Ireland.

A Tyndall Group Unit Trust

Member of the Unit Trust Association. FT 10-78-PP

Dow 6 weaker at mid-session

INVESTMENT DOLLAR
PLAGUED BY further concern over rising interest rates, Wall Street continued to move broadly lower in active trading yesterday morning.

The Dow Jones Industrial Average, after retreating 19 points over the past 10 days, declined 6.24 more to 800.50 at 1 p.m. The NYSE All Common Index came back 39 cents further to \$38.88, while losses led gains by a three-to-one margin. Trading volume reached 23.7m shares, compared with Thursday's 1 p.m. level of 24.38m.

Yesterday morning, major banks, led by Citibank, began raising their prime rates by 1/8% from 9 1/2% to 9 3/4%. The move, although widely anticipated, came just two weeks after the last rise in the money supply. Analysts said the 1/8% rise in the basic 11-month money market is a foregone conclusion that the Federal Reserve will tighten credit again, with only the extent undecided. Not too long ago, investors were hoping that interest rates would level off.

Gaming shares, however, were mostly higher. Ranauda Inc., the most active issue, climbed 1 1/2 to \$181. Caesar's World gained 3 1/2 to \$64.1. Bally Manufacturing, to \$66 and Del E. Webb 13 to \$373, but Holiday Inns reacted \$1 to \$211.

Pepsi-Cola, the subject of bearish Press comment, fell 1 1/2 to \$20.1, while Coca-Cola rose 1 1/2 to \$44.1. Amstar 13 to \$495. Philip Morris 13 to \$73 and McDonald's 1 1/2 to \$32.

Smith Barney dropped \$4 to \$92 after a late start, but an order of 100,000 shares raised its dividend but slipped 1/2 to \$44. Recovering slightly, IBM added \$1 to \$294.1 and Xerox 1/2 to \$37.1. General Motors lost 1/2 to \$94.1 and General Electric 1/2 to \$53.1.

The AMERICAN SE Market Value Index shed 0.45 more to 173.32 at 1 p.m. Volume 3.87m shares (2.5m).

Revising International "A" rose 1 1/2 more to \$203 and the new "A" 1/2 to \$69.

THURSDAY'S ACTIVE STOCKS

Stock	Change	Close	Open	High	Low
Ranauda Inc.	+1 1/2	181.00	179.50	181.00	179.50
Caesar's World	+3 1/2	64.10	63.00	64.10	63.00
Bally Mfg.	+1 1/2	66.00	65.00	66.00	65.00
Del E. Webb	+13	373.00	360.00	373.00	360.00
General Motors	-1/2	94.00	94.50	94.00	94.50
General Electric	-1/2	53.00	53.50	53.00	53.50
IBM	+1	294.00	293.00	294.00	293.00
Xerox	+1/2	37.00	36.50	37.00	36.50
Smith Barney	-4	92.00	96.00	92.00	96.00
Coca-Cola	+1 1/2	44.00	42.50	44.00	42.50
Amstar	+13	495.00	482.00	495.00	482.00
Philip Morris	+13	73.00	60.00	73.00	60.00
McDonald's	+1 1/2	32.00	30.50	32.00	30.50

Indices

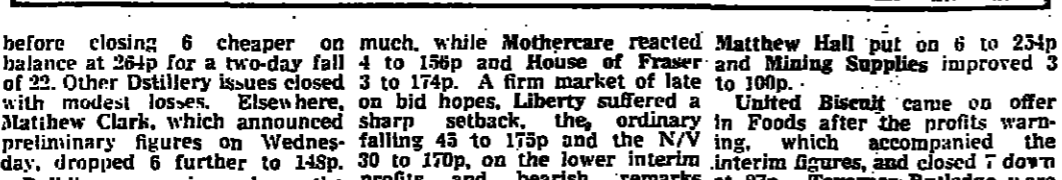
NEW YORK-DOW JONES

	1916						Since Completed			
	Sept. 14	Sept. 15	Sept. 12	Sept. 11	Sept. 8	Sept. 7	High	Low	High	Low
Industries.....	877.04	838.60	905.44	907.74	907.74	898.71	907.74	742.12	1051.70	41.32
							(68.74)		(24.62)	(7.38)
HomeB'nd.....	88.47	88.46	85.65	85.45	89.41	89.31	89.74	85.71	89.74	
							(-0.55)			
Transport.....	256.51	257.21	260.89	260.82	261.49	259.28	261.49	196.41	279.88	15.21
							(-1.1)		(11.1)	
Utilities.....	108.70	107.48	107.58	107.75	107.92	107.21	110.26	102.94	105.82	15.58
							(-3.1)		(-2.48)	(2.42)
Traction, etc.	57.400	43.840	54.400	53.000	42.170	40.650				

Account Dealing Dates

Northern Engineering, English
Property, Siebens Oil (UK),
Brocks, Majestic Investments,
Haden Group, Thomson Organisa-
tion, Courtaulds and P and O
Deferred. Puts were done in
Beecham, Fairview, Estates and
Ladbroke Warrants, white
doubles were arranged in
Talbot, Cons. Gold Fields, Sater
Electrical, Parkland Textile A,
Shell Transport and Town and
City Properties.

Land Secs.	420	77	67	24	7	242p
Land Secs.	160	—	—	—	—	—
Land Secs.	200	4	48	3	—	—
Land Secs.	240	35	30	6	—	—
Land Secs.	240	10	17 1/2	20	3	—
Land Secs.	200	5	12	84	13 1/2	—
Marin & Sp.	80	8	10	4	—	88p
Marin & Sp.	70	22	10	24	29	—
Marin & Sp.	80	14	6	17	1	—
Marin & Sp.	90	6	10 1/2	27	15	—
Marin & Sp.	60	21	6 1/2	11	10	—
Wheel.	900	86	98	19	109	583p
Shells	550	38	7	—	—	—
Shells	60	14	3	29	—	—
Shells	500	3	95	40	—	—
Total	—	296	—	396	24	—



3	Over 15 years	121.71	-0.40	—	9.36	7	High 5 years	11.57	11.44	9.27	11.36 (57)	9.67 (31)
4	Irredeemables	127.74	-0.67	—	9.02	8	Coupons 15 years	12.60	12.53	11.92	13.01 (56)	11.13 (32)
5	All stocks	113.56	-0.31	—	7.94	10	25 years	12.79	12.74	12.00	13.43 (54)	11.26 (33)
						10	Irredeemables	11.38	11.29	10.42	12.25 (58½)	9.80 (34)

Fri. Sept. 15												Since Completion							
Thurs.		Thurs.		Thurs.		Mon.		Fri.		Wed.		1978							
Nov.	Yield	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.				
15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15				
15	87.52	112.89	97.58	58.88	57.89	61.91	67.81	67.81	67.81	64.76	65.67	(33½)	66.47	(47)	114.44	(23.1088)	37.01	(1)	
16	61.12	117.05	11.52	51.53	61.53	61.53	61.53	61.53	61.53	61.53	57.71	11.11	67.70	(23½)	114.41	(15.9838)	36.45	(412)	
17	Com. and Ind. Pref.	(20)	71.31	12.87	1.20	70.73	70.73	70.73	70.73	70.73	74.18	78.50	(11)	69.80	(31½)	114.98	(7.1024)	47.67	(1)

Section or Group	Start Date	Base Value	Section or Group	Start Date	Base Value	available from the Publishers. The Financial
Pharmaceutical Products	30/12/78	264.77	Miscellaneous Group	31/12/78	128.20	Brace, by post 25s.
Other Groups	31/12/78	61.75	Miscellaneous Financial	31/12/78	128.20	Common Street, London, E.C.4
General Trading	31/12/78	330.00	Insurance	31/12/78	128.20	13s. received
Engineering Contractors	31/12/78	153.04	Food Retailing	21/12/77	114.15	subscription income, dividend yields and carried fees
Mechanical Engineering	31/12/77	151.93	Insurance Brokers	21/12/81	94.61	indicate, is outstanding from FT (London) 1978
Services and Subv.	16/1/78	164.78	Mining Finance	21/12/82	100.00	10. 80% Court London, E.C.4 21 580 per year.
Travels and Carols	16/1/78	164.78	All Other	21/12/82	100.00	CONSTITUTION CHANGE: Entwistle Ltd. 81 (P. 1)
Office Equipment	16/1/78	128.20	1 Redemption yield.	A list of the obligations in		(Contracting, Construction).

OFFSHORE AND OVERSEAS FUNDS

[illegible]

	Windsor Park, Exeter	(932) 50-1110	
	Momemayr Park, D.	110 2	L-28
	For other funds, please refer to the Manchester Group.		
271	Windsor Life Assur. Co. Ltd.		
	Windsor House, Street St., Windsor	60-94	
	Life Ins. Plans:	75.4	72.5
256	FuturesAsd (Gib.)	22.50	
	Premium Insurance	100.00	
	Rat. Ased. Pans	125.00	
	Ftes. Ins. Growth	138.4	111.0

PANTHEON SECURITIES LIMITED
LONDON

A leading independent financial services company for the investment and insurance industry.

With information on the latest developments in the insurance industry, starting with the latest news.

Canterbury House,
120 Regent Street, London W1B 6RL

Mr. Pantheon Securities Group Limited

FT SHARE INFORMATION SERVICE

BONDS & RAILS-Cont.

BANKS & HP-Continued

CHEMICALS, PLASTICS-Cont.

ENGINEERING-Continued

FOOD, GROCERIES-Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

DRAPERY AND STORES

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CANADIANS

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

FOREIGN BONDS & RAILS

FINANCIAL TIMES

BRACKEN HOUSE, 18, CANNON STREET, LONDON EC4A 3BY

Telex: Editorial 883412, 883397. Advertisements: 883533. Telegrams: Financial Times, London F54

Telephone: 01-248 8000

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 9028

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 206, Amsterdam-C.

Telex 12517 Tel: 240 255

Birmingham: George House, George Road.

Telex 338550 Tel: 01-454 0922

Bombay: Press House, 11/14, Beausalle 2-10.

Telex 338550 Tel: 01-454 0922

Brussels: 38 Rue de la Loi.

Telex 338550 Tel: 01-454 0922

Cairo: P.O. Box 2040.

Telex 338550 Tel: 01-454 0922

Dublin: 8 Fitzwilliam Square.

Telex 338550 Tel: 01-454 0922

Edinburgh: 37 George Street.

Telex 338550 Tel: 01-454 0922

Frankfurt: im Schaeferhaus 12.

Telex 338550 Tel: 01-454 0922

Johannesburg: P.O. Box 2123

Telex 338550 Tel: 01-454 0922

Lisbon: Praça da Alegria 38-1D, Lisboa 2

Telex 338550 Tel: 01-454 0922

Madrid: Esplanada 22, Madrid 3

Telex 338550 Tel: 01-454 0922

Manila: 1000, Manila

Telex 338550 Tel: 01-454 0922

Manchester: Queen's House, Queen Street.

Telex 338550 Tel: 01-454 0922

Moscow: Sadovaya-Samotchnaya 12-24, Apt. 15.

Telex 338550 Tel: 01-454 0922

New York: Rockefeller Plaza, N.Y. 10019.

Telex 338550 Tel: 01-454 0922

Paris: 38 Rue de la Loi, 75002.

Telex 338550 Tel: 01-454 0922

Rio de Janeiro: Avenida Pres. Vargas 418-10.

Telex 338550 Tel: 01-454 0922

Rome: Via della Mercede 54.

Telex 338550 Tel: 01-454 0922

Stockholm: c/o Svenska Dagbladet, Rindögsgatan 7.

Telex 338550 Tel: 01-454 0922

Tehran: P.O. Box 11-1873.

Telex 338550 Tel: 01-454 0922

Tokyo: 8th Floor, Nishinomiya Shimbun.

Telex 338550 Tel: 01-454 0922

Washington: 2nd Floor, 1225 E. Street.

Telex 338550 Tel: 01-454 0922

Winnipeg: 1000, Winnipeg

Telex 338550 Tel: 01-454 0922

Zurich: 1000, Zurich

Telex 338550 Tel: 01-454 0922

Manila: 1000, Manila

Telex 338550 Tel: 01-454 0922

Moscow: Sadovaya-Samotchnaya 12-24, Apt. 15.

Telex 338550 Tel: 01-454 0922

New York: Rockefeller Plaza, N.Y. 10019.

Telex 338550 Tel: 01-454 0922

Paris: 38 Rue de la Loi, 75002.

Telex 338550 Tel: 01-454 0922

Rio de Janeiro: Avenida Pres. Vargas 418-10.

Telex 338550 Tel: 01-454 0922

Rome: Via della Mercede 54.

Telex 338550 Tel: 01-454 0922

Stockholm: c/o Svenska Dagbladet, Rindögsgatan 7.

Telex 338550 Tel: 01-454 0922

Tehran: P.O. Box 11-1873.

Telex 338550 Tel: 01-454 0922

Tokyo: 8th Floor, Nishinomiya Shimbun.

Telex 338550 Tel: 01-454 0922

Washington: 2nd Floor, 1225 E. Street.

Telex 338550 Tel: 01-454 0922

Winnipeg: 1000, Winnipeg

Telex 338550 Tel: 01-454 0922

Zurich: 1000, Zurich

Telex 338550 Tel: 01-454 0922

Manila: 1000, Manila

Telex 338550 Tel: 01-454 0922

Moscow: Sadovaya-Samotchnaya 12-24, Apt. 15.

Telex 338550 Tel: 01-454 0922

New York: Rockefeller Plaza, N.Y. 10019.

Telex 338550 Tel: 01-454 0922

Paris: 38 Rue de la Loi, 75002.

Telex 338550 Tel: 01-454 0922

Rio de Janeiro: Avenida Pres. Vargas 418-10.

Telex 338550 Tel: 01-454 0922

Rome: Via della Mercede 54.

Telex 338550 Tel: 01-454 0922

Stockholm: c/o Svenska Dagbladet, Rindögsgatan 7.

Telex 338550 Tel: 01-454 0922

Tehran: P.O. Box 11-1873.

Telex 338550 Tel: 01-454 0922

Tokyo: 8th Floor, Nishinomiya Shimbun.

Telex 338550 Tel: 01-454 0922

Washington: 2nd Floor, 1225 E. Street.

Telex 338550 Tel: 01-454 0922

Winnipeg: 1000, Winnipeg

Telex 338550 Tel: 01-454 0922

Zurich: 1000, Zurich

Telex 338550 Tel: 01-454 0922

Manila: 1000, Manila

Telex 338550 Tel: 01-454 0922

Moscow: Sadovaya-Samotchnaya 12-24, Apt. 15.

Telex 338550 Tel: 01-454 0922

New York: Rockefeller Plaza, N.Y. 10019.

Telex 338550 Tel: 01-454 0922

Paris: 38 Rue de la Loi, 75002.

Telex 338550 Tel: 01-454 0922

Rio de Janeiro: Avenida Pres. Vargas 418-10.

Telex 338550 Tel: 01-454 0922

Rome: Via della Mercede 54.

Telex 338550 Tel: 01-454 0922

Stockholm: c/o Svenska Dagbladet, Rindögsgatan 7.

Telex 338550 Tel: 01-454 0922

Tehran: P.O. Box 11-1873.

Telex 338550 Tel: 01-454 0922

Tokyo: 8th Floor, Nishinomiya Shimbun.

Telex 338550 Tel: 01-454 0922

Washington: 2nd Floor, 1225 E. Street.

Telex 338550 Tel: 01-454 0922

Winnipeg: 1000, Winnipeg

Telex 338550 Tel: 01-454 0922

Zurich: 1000, Zurich

Telex 338550 Tel: 01-454 0922

Friday September 15 1978

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

Serving the world with financial expertise.

SANWA BANK

Tokyo, Japan

MINES—Continued

CENTRAL AFRICAN

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

AUSTRALIAN

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

TINS

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

OVERSEAS TRADERS

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

COPPER

MISCELLANEOUS

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

NOTES

Notes are issued by the Bank of England and are payable to the bearer on demand. They are issued in denominations of £5, £10, £20, £50 and £100.

TEAS

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

INDIA AND BANGLADESH

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

SRI LANKA

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

AFRICA

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

MINES

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

CENTRAL RAND

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

EASTERN RAND

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

FAR WEST RAND

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

FINANCE

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed in regional markets. Prices of Irish issues, most of which are not officially listed in London, are quoted on the Irish exchange.

IRISH

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

O.F.S.

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

FINANCE

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

DIAMOND AND PLATINUM

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

OPTIONS

3-month Call Rates

Stock	Price	Div	Yield	Vol
100	100			
100	100			
100	100			

A selection of Options traded is given on the London Stock Exchange Report page.

FOOD, GROCERIES

SOFT DRINKS

INDUSTRIALS

INDUSTRIALS

INDUSTRIALS

INDUSTRIALS

INDUSTRIALS

INDUSTRIALS

INDUSTRIALS

INDUSTRIALS

INDUSTRIALS

CUYSON
The Best Blast Cleaners
in the World

Guyson International Limited,
North Avenue, Oldley, West Yorkshire LS21 1AR
Tel. (0343) 3422 Telex 51542

FINANCIAL TIMES

Saturday September 16 1978

Redifon R-range

Puts the computers
where the people are

REDIFON COMPUTERS LIMITED
KELVIN WAY, CRAWLEY, SUSSEX

MAN OF THE WEEK

Survival through innovation

BY TERRY DODSWORTH

BACK IN 1974, when British interest rates were heading for 20 per cent and property speculators literally crying all the way to the bank, everyone began to wonder about the future of Heron Corporation. It was the quintessential property company of its time, run by a young, extroverted developer with a taste for fast cars, who looked as though he might have gone too far too quickly. But Gerald Ronson, then 33, says that he was never once asked an anxious question by his bankers. "Not in 1974, 1975 or 1976," Heron Corporation just went on growing, until now, on some reckonings, it is the second largest private group in the UK with a turnover last year of about £300m.

Last week, Heron shot back into the public eye in Britain as one of the two leading partners in plans for a huge office, hotel and residential complex on the South Bank in London. Heron's



Gerald Ronson

"We have not run away"

share in the development will cost £60m at today's prices, consolidating the group's position as one of the few active survivors of the development boom. But even without this project, which has run into substantial opposition from the Labour-controlled Lambeth Council, Heron has a large UK portfolio spread around the country, plus widespread interests on the Continent.

Ronson himself lays considerable stress upon the depth of the base in property because the group nowadays tends to lack definition in the public eye. Heron is one of the largest petrol station operators in the country, the fourth largest motor distributor and seventh largest householder (this figure, it also owns the Suzuki UK franchise, along with the Ingersoll watch and the National Insurance and Guarantee Corporation.

This mixture of business is not as unconsidered as it sounds. Although Ronson was attracted to the first of these retailing businesses, petrol, by the idea of taking on the oil majors and developing self-service in Britain, the big appeal was in the marriage of a high cash-flow business with the long-term capital appreciation of property. The first years of a development often have a "deduct financed" in Ronson's words, because, until the first rent review, income does not meet interest payments on the money borrowed for the project. Ronson's idea was to use cash generated in the petrol business as a level for the interest payments.

Survived

On this basis, his property portfolio survived the market crash intact, and it remains, says Ronson, the base of the business. "The rest of my life, I do it as real estate, whether it is used as offices, or to sell motor cars, petrol or anything else." The result of this philosophy is a company which is directed in a highly unconventional manner. Heron, for example, never pays dividends. Assets are given more attention than profits, and revenue is virtually all reinvested anyway to be turned into more assets. For similar reasons, Ronson has never wanted to go public. Shareholders, he says, demand dividends, and look to short term interests rather than long term gain.

It has not escaped public attention, of course, that this is also an ideal way of keeping a private company (Heron is owned by family trusts) intact and growing while not creating too much taxable profit. But Ronson argues that choices have to be made, and his choice is for long-term growth. It is an approach which has taken him a long way from his roots in that now largely eclipsed group of property entrepreneurs who emerged in the late 1960s, and although he retains something of the sheen of that period, his conservatism these days is all about solid earning, sound assets and hard work. "I think we have a record we can be proud of," he says. "We are still here. We have not emigrated and we have not run away. We have not shirked our responsibilities in any way. I regard myself as a capitalist with a social conscience." Lambeth Council, take note.

UK building societies ready to move into Europe

BY TIM DICKSON

BRITAIN'S BIGGEST building societies are ready to extend their operations to other EEC countries by the mid-1980s.

Two Building Societies Association working parties are looking at the legal and financial complications of opening branches on the continent.

In particular, the two groups, formed earlier this year, are studying methods of housing finance in West Germany and Belgium — countries which appear to offer the most scope.

Belgium has almost certainly been chosen because of the sizeable British colony around Brussels, likely to respond to the opportunity of borrowing from a British building society.

Potential is also seen there for attracting savings from expatriates wishing to buy property in Britain once they return home.

In West Germany, attention is being focused on the success of organisations such as the Bausparkassen, the next largest similar group of institutions in Europe.

Further studies of other countries will apparently be carried out in due course.

Each foreign establishment would almost certainly be self-financing, initially at least, drawing finance from local investors.

At the same time, with the prospect of closer EEC monetary co-operation, the possibility of loans made across frontiers in European units of account has already been discussed.

Building societies are prevented by statute from operating outside the UK, and there is understood to be little Government enthusiasm for changing the law.

Nevertheless, the societies' aspirations, which follow the growing internationalism of such financial institutions as banks and insurance companies, have met a positive response in Brussels.

The first EEC legislative initiative was taken last December with the issue of the first Council directive on the co-ordination of laws and regulations relating to credit institutions, including building societies.

This required EEC countries to set up licensing and authorising procedures within two years. The UK Government, however, has decided to defer immediate action because of the shortage of Parliamentary time.

Building societies hopes are now pinned on a second directive, specifically for housing finance

institutions, likely to be issued in the next three or four years.

This is expected to require member states to pass the appropriate legislation which would open the door to the Continent for the UK's societies.

Detailed harmonisation of the different procedures for borrowing and lending is not planned, however.

In the UK, building society leaders dismiss Government fears of a sudden flight of assets from Britain. They claim the funds are more likely to move in the opposite direction and suggest that facilities to siphon off excess mortgage cash might appeal to some ministers.

Even with the necessary legislation, it is unlikely that more than the 10 biggest societies could ever justify opening branches on the continent.

Guest Keen buys £24m more of Uni-Cardan

BY KENNETH GOODING

GUEST KEEN and Nettlefolds is to spend DM 95m (£24.7m) to increase its influence at Uni-Cardan, its West German motor components subsidiary.

GKN owns 59.5 per cent of Uni-Cardan shares and has purchased minority shareholders to part with an additional 21.6 per cent for cash.

As Uni-Cardan is a subsidiary, GKN will not face any problems with the German authorities of the kind which prevented its acquisition of the Sachs components group. The West German cartel office ruled against the bid for Sachs and, after a two-year battle, GKN gave up in June its struggle to have the courts reverse the decision.

Technical co-operation between GKN and Uni-Cardan is growing and the UK group now feels an even closer association

would enable a worldwide strategy for its transmission manufacturing operations to be developed around GKN's British plants and Uni-Cardan, which has factories in France and Italy as well as West Germany.

In particular, both groups have been closely involved in meeting the demand for front-wheel-drive application and for which the U.S. is a growing market.

A mixed team from GKN and Uni-Cardan is in the U.S. in connection with the building of a GKN factory at Sanford, North Carolina, which should be producing 400,000 sets of front-wheel-drive units after it comes on stream in 1980.

The smaller, less-thirsty vehicles to incorporate the front-wheel-drive units are being described as the "world car" because they would offer much

more potential for export than current American models.

GKN also is buying more overseas profits by acquiring more of Uni-Cardan. The West German concern is believed to have achieved sales of about £200m last year and has been described by GKN as a very profitable company.

The cash involved will be raised by borrowings outside the UK.

GKN certainly should have no problems in borrowing the money but the deal once again raises questions about how long the group will hold on to its near-25 per cent stake in Sachs.

GKN also announced yesterday results for the half-year to June which showed taxable profit up from £40.8m in the same period of 1977 to £42m on turnover which increased from £846.7m to £889.5m.

Results, Page 16

Agreement on Reksten payments

By Christine Moir

OSLO, Sept. 15. CREDITORS of the troubled Norwegian tanker group, Reksten — which include Hambros Bank and Aker Shipbuilding — will share risks on interest payments with the Norwegian Shipping Guarantee Institute from the end of next year.

However, the parties believe, the principle of guarantees has been extended until at least 1982.

This is the outcome of a new agreement which between the institute and Hambros after months of tough negotiations, of which further details emerged in Oslo today.

The immediate implication is that the institute will continue to meet its commitments under existing agreements, which expire at the end of 1979, in full. Under these, the institute has guaranteed an umbrella loan which Reksten uses to meet its interest payments on its commercial debts and the laying-up costs on the idle part of its fleet.

In the following years, this umbrella loan will continue to be underwritten by the institute, but the laying-up costs and actual interest payments on commercial loans will be underwritten by each of the creditors on a pro rata basis.

In practice, this will mean that if Reksten continues to be unable to meet its interest payments out of its own cashflow, each creditor will have to take separate responsibility on its own loan.

Under the institute, this would mean a reduction in its present commitment, since it would then be responsible only for meeting interest on the umbrella loan.

For Hambros Bank, it could mean rolling up the interest on its loans to Reksten — thought to be about £50m. The same would apply to the other main creditor, Aker, in which Fred Olsen has the controlling stake.

However, the parties believe — and the Norwegian shipping community confirms — that there is only a slight chance that full interest will have to be paid in the long term.

Last week, the two Reksten operating companies, Trajan and Hadrian, estimated that they would show a small surplus on the trading account for 1978.

This means they would be able to make a token gesture towards lay-up costs and interest charges.

In London, Hambros Bank shares closed at 188p, up 11p.

Shareholders to see works

MORE THAN 400 shareholders of Hawkins and Tipson will attend an open day at the company's Hailsham factories next Thursday.

The next day, Princess Anne, will visit the factories for a presentation.

Brae Field oil estimate cut

BY KEVIN DONE, ENERGY CORRESPONDENT

MARATHON OIL has substantially lowered its estimate of the oil reserves that can be extracted from the southern portion of the North Sea Brae Field.

Mr. Elmer Graham, the senior vice-president for finance and administration, said yesterday that the company believed there were 250m barrels of oil that could be produced from the southern part of block 16/7A.

Until recently the company has talked of the field having recoverable reserves in excess of 500m barrels, but this figure is now attributed to total reserves in block 16/7A, rather than the southern part of block 16/7A.

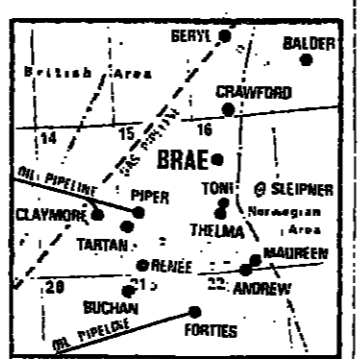
Mr. Graham said that initial production could begin in late 1982 or 1983.

Some of Marathon's partners in the Brae group have been less optimistic about the field's prospects, and the timescale in which it could be developed.

Already the group has drilled 13 wells on the structure, which has proved one of the most perplexing discoveries in the North Sea.

Marathon maintains that sufficient appraisal wells have been drilled to draw up a development plan for the southern part of the field. It is still hopeful that the plan can be agreed by its partners and the Department of Energy by the end of the year. But it seems unlikely that it will meet this timetable.

In the past Marathon has talked about installing a number of platforms, production facilities and a pipeline. This proposal has been scaled down, and it now seems likely that it will finally



opt for one or two steel platforms and a scheme of offshore loading.

Mr. Graham also said that Marathon expects to begin delivering natural gas to Irish customers from the Kinsale Head field in the Celtic Sea this month.

He told analysts in St. Louis, U.S., that initial production of 15m cubic feet a day would rise to 50m a day by the end of the year.

The rate would be 125m cubic feet a day as soon as customers were ready to take this quantity, probably early next year.

Mr. Graham said that Marathon's capital spending next year would be about \$500m, and that over the next five years capital and exploration expenditure would average almost \$700m a year.

The outlay would reach \$900m in the year of heaviest expenditure for the development of block 16/7A as well as provision for possible development in Indonesia.

Continued from Page 1

U.S. prime rates

volume of short-term certificate of deposit paper at higher borrowing costs. The New York City banks are also seeing a revival in their commercial and industrial loan demand. After some stagnation in the summer and with demand higher it is easier for the mto increase the cost of funds.

Today's prime rate increase follows a sharp rise in the U.S. money supply yesterday (\$1.1 rose \$4.7bn and M2 \$3.9bn). This has reinforced fears that the Federal Reserve will continue to nudge the key Federal funds interest rate upwards in try to tighten credit and control inflation.

The Board's open market committee, which meets monthly in set the central banks credit policy, is due to meet again on Tuesday. In recent weeks the Fed has been exerting upward pressure on short-term interest

rates in its open market operations. Most money market economists have concluded that a week ago on Friday the Fed eased the key Federal funds target rate up from 8 1/2 per cent to 9 per cent.

The evidence of the Fed's policy, the continuing strong demands for credit throughout the U.S. economy and the growth of the money supply which is expected to be strong this month and is above the Fed's long-term target, are all seen as elements working to push interest rates higher. Some economists are predicting that the prime rate will rise to 10 per cent by the end of the year.

Among the banks which quickly followed the Citibank lead this morning were Chase Manhattan, Morgan Guaranty, Continental Illinois and Bankers Trust.

Steel bid to boost Liberals

BY EUNOR GOODMAN

MR. DAVID STEEL will try today to revive the Liberals' spirits and re-establish their independence at the end of an assembly which has done little to enhance the party's reputation for serious politics.

In his closing address to delegates, the Liberal leader will concentrate on reaffirming the party's long-term aims rather than dealing with short-term strategy.

Yesterday, with Mr. Jeremy Thorpe, the former leader, out of Southport, delegates did their best to confirm the party's independent policies.

By voting for a statutory incomes policy, they made it possible for candidates to claim to represent the only party honest enough to support openly statutory incomes controls.

They also backed the TUC's demands for a 35-hour week, provided that no cut in hours should be made if it increased unit costs.

With Mr. Jo Grimond, the party's elder statesman beside him, Mr. Steel is expected to reaffirm today the radical, independent nature of Liberal thinking.

Rather than dwelling too long on the possibility of another post-war pact, he has already promised to vote against the Queen's Speech — he will emphasise the factors which distinguish the Liberal Party from its rivals.

Conference report Page 4

Weather

UK TODAY

MAINLY dry: warm.
London, S.E. England, E. Anglia, Cent. S. England, E. Midlands E. England

Mainly dry: sun, warm. Max. 21C (70F).

W. Midlands, Channel Is., S.W. England, Wales, N.W. England, Lancs, Cent. N. England, N.E. England

Cloudy, bright periods, dry. Max. 17C-19C (63F-66F).

Isle of Man, S.W. Scotland, Glasgow, Cent. Highlands, Moray Firth, N.E. Scotland, Argyll, N.W. Scotland, Orkney, Shetland, N. Ireland

Cloud, rain. Max. 13C-16C (55F-61F).

Borders, Edinburgh, Dundee, 17C (63F).

Bright, rain spreading. Max. 17C (63F).

Long-range forecast to mid-October: Changeable, with strong westerly winds expected to give way to a mainly dry but cooler period. Further unsettled spells likely later, especially in the south.

BUSINESS CENTRES

	Y-day	Y-day	Y-day
Amsterdam	16.61	Madrid	22.54
Antwerp	16.61	Moscow	22.54
Bahia	16.61	Nairobi	22.54
Barcelona	16.61	Paris	22.54
Bombay	16.61	Rome	22.54
Buenos Aires	16.61	Singapore	22.54
Calcutta	16.61	Tokyo	22.54
Canton	16.61	Yokohama	22.54
Cebu	16.61		
Colon	16.61		
Hankow	16.61		
Hong Kong	16.61		
Kobe	16.61		
London	16.61		
Lyons	16.61		
Manila	16.61		
Medan	16.61		
Shanghai	16.61		
Singapore	16.61		
Sourabaya	16.61		
Tientsin	16.61		
Yokohama	16.61		

HOLIDAY RESORTS

	Y-day	Y-day	Y-day
Algeria	24.24	London	24.24
Algiers	24.24	Madrid	24.24
Amman	24.24	Moscow	24.24
Antwerp	24.24	Nairobi	24.24
Barcelona	24.24	Paris	24.24
Bombay	24.24	Rome	24.24
Buenos Aires	24.24	Singapore	24.24
Calcutta	24.24	Tokyo	24.24
Canton	24.24	Yokohama	24.24
Cebu	24.24		
Colon	24.24		
Hankow	24.24		
Hong Kong	24.24		
Kobe	24.24		
London	24.24		
Lyons	24.24		
Manila	24.24		
Medan	24.24		
Shanghai	24.24		
Singapore	24.24		
Sourabaya	24.24		
Tientsin	24.24		
Yokohama	24.24		

THE LEX COLUMN

A cautious mood at Guest Keen

A 13p rise to 297p in Guest Keen yesterday signalled the market's relief about a set of interim figures that might have been a fair bit worse. Profits of £42.8m in the first half of 1977 — and just £31.5m in the second. However, an unchanged interim dividend is evidence of the group's continuing uncertainty about the short-term outlook and best profits seem unlikely to rise much above the first-half level during the rest of the year.

Automotive components account for the biggest chunk of the upturn so far. The UK side has largely recovered from a strike-hit period towards the end of 1977, and the German market is looking healthier after an uncertain period around the turn of the year.

But tractors are a problem: they accounted for perhaps a sixth of components business at one stage, and demand has dropped steeply this year, hitting forgings as well as components.

Elsewhere, profits on primary metals have recovered a little to £1m, but this is mainly the result of smoother running at the new electric arc steel plant in South Wales, which had teething troubles last year. GKN sees no sign of any real improvement in the world steel industry, and reckons that the D'Avignon plan has done little to help. Similarly the immediate outlook for steel stockholding and distribution is not very inspiring.

Meanwhile the group continues to invest heavily through this period of dull profits. Spending on fixed assets and working capital could exceed net cash flow this year by upwards of £30m, on top of which it is spending £24.7m to increase its holding in Uni-Cardan of West Germany from 59.5 to 81.1 per cent. Following its frustration with the Sachs offer, this move underlines GKN's enthusiasm about what it sees as a rapidly growing international market for front-wheel drive cars. The main minority holder is now the senior German executive — who is keeping most of his shares.

The rights issue in 1977 means that any progress in earnings per share this year will be limited. But the trends economic package in June, even seem to be pointing — however gently — in the right direction, and the yield is 8 per cent.

Index fell 5.1 to 530.4

80-AM

GKN TRADING SURPLUS

General & Civil

Distribution

Automotive Components

Primary Metals

1976 1977 78

monetary figures show that money supply is firmly under control, there is a danger of Government will be finding it difficult to balance the growth in bank lending with its borrowing needs. There is a great deal of uncertainty about the outlook for wages during 1979. And the chance of any worthwhile drop in interest rates from their present levels look slim at present, especially when prime rates towards double figures.

United Biscuits

United Biscuits is not as originally hoped, going to induce a much higher rate of growth in its second half than the message in yesterday's interim statement which left UB shares 7p lower at 87p, despite the 9 per cent improvement in pre-tax profits to £18.6 for the first six months' trading. Without currency effects, the interim figure would have been £600,000 higher.

The story behind the figure is a mixture of improved results from UK trading (despite all competition) a decline in profit contribution from U.S. — and more than about losses (£515,000) in Europe, where Spain is the problem.

Spain apart, the group's toughest problem for the months has been coping with one of the worst winters in U.S. for some time. Keeble sales volume is up by only per cent and the company has been fighting to hold its market share. It could be 1980 he Keeble's new product facilities begin to show through in the profit and loss account. At 87p the shares trade at a p/e of about 10 1/2, a yield of just more than 5 per cent.

Spain apart, the group's toughest problem for the months has been coping with one of the worst winters in U.S. for some time. Keeble sales volume is up by only per cent and the company has been fighting to hold its market share. It could be 1980 he Keeble's new product facilities begin to show through in the profit and loss account. At 87p the shares trade at a p/e of about 10 1/2, a yield of just more than 5 per cent.

Spain apart, the group's toughest problem for the months has been coping with one of the worst winters in U.S. for some time. Keeble sales volume is up by only per cent and the company has been fighting to hold its market share. It could be 1980 he Keeble's new product facilities begin to show through in the profit and loss account. At 87p the shares trade at a p/e of about 10 1/2, a yield of just more than 5 per cent.

Spain apart, the group's toughest problem for the months has been coping with one of the worst winters in U.S. for some time. Keeble sales volume is up by only per cent and the company has been fighting to hold its market share. It could be 1980 he Keeble's new product facilities begin to show through in the profit and loss account. At 87p the shares trade at a p/e of about 10 1/2, a yield of just more than 5 per cent.

Spain apart, the group's toughest problem for the months has been coping with one of the worst winters in U.S. for some time. Keeble sales volume is up by only per cent and the company has been fighting to hold its market share. It could be 1980 he Keeble's new product facilities begin to show through in the profit and loss account. At 87p the shares trade at a p/e of about 10 1/2, a yield of just more than 5 per cent.

Spain apart, the group's toughest problem for the months has been coping with one of the worst winters in U.S. for some time. Keeble sales volume is up by only per cent and the company has been fighting to hold its market share. It could be 1980 he Keeble's new product facilities begin to show through in the profit and loss account. At 87p the shares